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CURRENT MINNESOTA LABOR MARKET CONDITIONS

September, 1985 Supplement to The Review of Labor and Economic Conditions
Prepared by the Research & Statistics Office, MN Dept. of Jobs & Training, 390 N. Robert St., St. Paul, MN 55101,
in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, and Employment & Training Admin.

Nation

The Nation's economy appeared to improve in August as unemployment fell, spending was strong and the slide in manufacturing employment stopped. However, some of the improvement was due to conditions that may turn out to be temporary.

Although the seasonally adjusted unemployment rate fell from 7.3 percent in July to 7.0 percent in August, the lowest since the 6.9 percent in April 1980, most of the unemployment decline occurred among teenagers whose unemployment numbers are quite volatile. Both the household and establishment surveys showed substantial employment growth in August as seasonally adjusted total employment rose by 310,000 and adjusted nonfarm payroll employment climbed by 288,000. The largest gains in payroll employment were in services (149,000) and trade (75,000). Perhaps more noteworthy was that employment in durable goods manufacturing rose after a six month decline. Even though the sharp rise in transportation equipment was overstated because fewer plants closed for retooling, the apparent end of the seven month drop in machinery employment was encouraging.

Developments in other economic indicators in August were somewhat mixed. The very sharp gains in retail sales and personal consumption expenditures were largely the result of cut-rate financing for automobiles. On the other hand, analysts expect that the strong rise in housing starts will be sustained. Meanwhile, industrial production continued to increase at a slow pace.

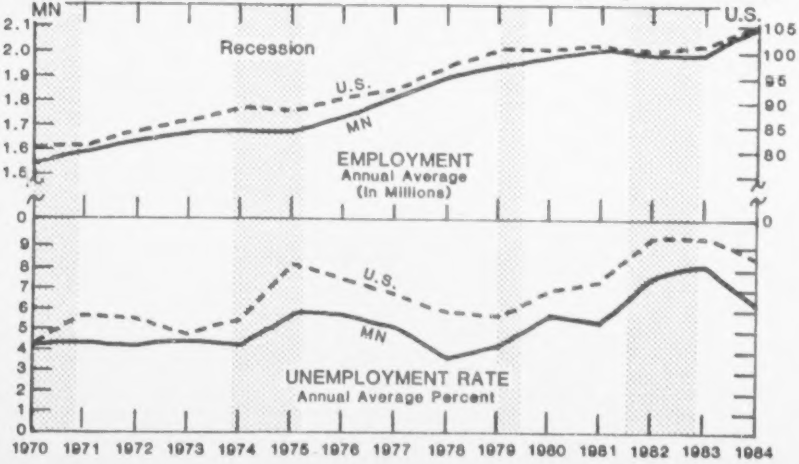
State

Declines in both total and nonfarm payroll employment together with a rise in the unemployment rate suggested that economic conditions in Minnesota deteriorated in August. However, large employment declines in a few industries may have been overstated due to some unusual events.

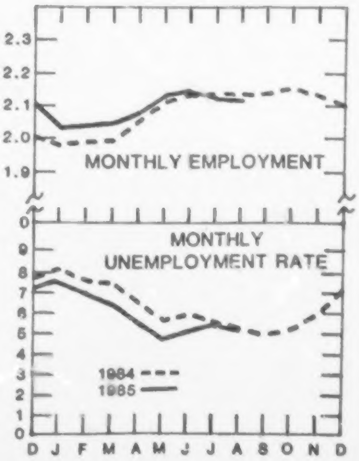
Minnesota's seasonally adjusted unemployment rate rose for the third consecutive month in August, rising by 0.1 of a point to 5.8 percent. The adjusted rate had fallen from 6.6 percent in December to a 4-year low of 5.0 percent in May. Also, seasonally adjusted total employment fell by 3,500 in August after a gain in July and declines in 4 of the 6 previous months. Meanwhile, seasonally adjusted nonfarm payroll employment dropped by 3,800 in August, the first decrease in payroll employment since April. However the drop in total payroll employment in August may have been substantially overstated because of unusual employment declines in transportation equipment and local education. The absence of a shutdown at the Ford plant this year caused distortions in the seasonally adjusted data which resulted in a large employment gain in July and a sharp drop in employment in August. Without this August decline in transportation equipment, employment in durable goods manufacturing would have shown a small seasonally adjusted gain in August. It was not possible to determine the cause of the very large seasonally adjusted drop in employment in local education. If these two unusual employment declines had not occurred, total seasonally adjusted payroll employment would have risen in August.

Labor Force Estimates	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	August 1985	Change From		August 1985	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2238.1	-1.6	-18.2	116.7	-0.8	1.6
Employed	2123.4	-5.4	-14.7	108.6	-0.2	1.9
Unemployed	114.6	-6.3	-3.6	8.1	-0.6	-0.3
Unemployment Rate						
Actual	5.1	-0.3	-0.1	6.9	-0.5	-0.4
Seasonally Adjusted	5.8	0.1	-0.1	7.0	-0.3	-0.3

MN and the U.S., Employment & Unemployment Rate



MN, 1984 and 1985



Labor Market Conditions

Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings

Industry	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS: Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Aug. 1985	July 1985	Aug. 1984	July 1985	Aug. 1984	Aug. 1985	July 1985	Aug. 1985	July 1985	Aug. 1985	July 1985
Total Nonagricultural	1891.7	1884.3	1845.9	0.4	2.5						
Manufacturing	386.7	381.9	389.4	1.3	-0.7	400.98	398.45	10.01	10.02	40.1	39.8
Durable Goods	228.7	227.9	231.9	0.3	-1.4	417.69	415.84	10.32	10.29	40.5	40.4
Furniture, Lumber and Wood	18.8	18.3	17.4	2.3	7.8	467.48	439.83	10.97	10.80	42.6	40.7
Stone, Clay and Glass	8.6	9.4	9.5	-8.5	-9.9	396.20	391.18	10.44	10.45	38.0	37.4
Primary Metals	6.0	5.8	6.4	3.7	-7.2	350.98	348.94	9.20	9.15	38.2	38.1
Fabricated Metals	35.3	35.1	35.8	0.7	-1.3	463.37	451.87	11.29	11.12	41.1	40.7
Nonelectrical Machinery	93.5	92.9	93.9	0.6	-0.5	437.98	451.23	10.82	10.89	40.5	41.4
Electrical Machinery	27.4	27.5	28.8	-0.4	-4.8	316.24	316.77	7.99	7.94	39.6	39.9
Transportation Equipment	6.8	6.6	7.2	2.3	-5.6	477.00	460.32	11.25	11.20	42.4	41.1
Other Durable Goods2/	32.4	32.3	32.8	0.3	-1.4	392.13	389.23	9.81	9.83	40.0	39.6
Nondurable Goods	158.0	154.0	157.5	2.6	0.3	379.81	376.07	9.61	9.67	39.5	38.9
Food and Kindred	52.9	49.5	53.7	6.9	-1.4	323.12	326.74	7.94	8.02	40.7	40.7
Textile and Apparel	4.7	4.6	5.4	2.5	-12.4	236.06	231.12	6.18	6.14	38.2	37.6
Paper and Allied	34.4	34.5	34.6	-0.2	-0.6	494.77	493.57	11.74	11.70	42.1	42.2
Printing and Publishing	42.3	42.0	40.2	0.7	5.3	393.19	379.67	10.67	10.70	36.9	35.5
Chemical and Petroleum	10.1	10.1	10.2	0.2	-0.5	448.43	428.27	11.27	11.36	39.8	37.7
Rubber and Leather	13.5	13.2	13.5	1.7	0.1	313.59	296.22	8.47	8.25	37.0	35.9
Nonmanufacturing	1505.0	1502.4	1456.5	0.2	3.3						
Mining and Quarrying	9.5	8.5	9.5	10.8	-0.5	476.70	532.42	12.60	12.71	37.8	41.9
Metal Mining	6.8	5.9	7.0	14.9	-2.7	504.52	565.19	13.60	13.90	37.1	40.7
Construction	86.1	84.1	81.2	2.3	6.0	580.22	601.55	15.49	15.30	37.5	39.3
Building	22.3	22.0	21.6	1.1	3.3	548.07	544.38	14.67	14.22	37.4	38.3
Highway and Heavy	18.0	17.3	16.2	4.0	11.4	546.87	606.78	13.67	13.87	40.0	43.8
Special Trades	45.7	44.8	43.4	2.2	5.4	609.59	629.11	16.69	16.49	36.5	38.2
Transportation	63.7	63.2	61.1	0.7	4.3						
Railroads	9.6	9.6	10.6	0.0	-9.3						
Trucking and Warehousing	27.3	27.0	26.1	1.2	4.7	367.68	370.75	11.49	11.46	32.0	32.3
Public Utilities	35.1	35.1	35.4	0.0	-0.7	532.01	521.99	13.30	13.27	40.0	39.3
Communications	20.3	20.4	20.5	-0.2	-0.8	489.69	481.35	12.23	12.22	40.0	39.4
Elec., Gas and Sanitary	14.8	14.7	14.9	0.3	-0.7	581.83	569.78	14.55	14.51	40.0	39.3
Trade	483.1	480.2	470.3	0.6	2.7	227.44	229.05	7.49	7.57	30.4	30.3
Retail	362.5	359.8	351.0	0.8	3.3	184.24	184.83	6.51	6.59	28.3	28.1
General Merchandise	49.9	49.7	47.5	0.5	5.0	180.67	178.97	6.08	6.20	29.7	28.9
Food Stores	47.7	47.3	47.7	0.7	0.1	200.21	208.19	6.99	7.05	28.7	29.5
Automotive	39.4	39.7	37.1	-0.7	6.0	338.19	337.73	9.19	9.17	36.8	36.9
Eating and Drinking	128.2	126.7	123.3	1.2	4.0	104.40	105.03	4.56	4.64	22.9	22.7
Wholesale	120.6	120.4	119.3	0.2	1.1	379.12	382.15	10.08	10.11	37.6	37.8
F.I.R.E.	111.9	111.9	107.5	0.0	4.1						
Finance	52.0	51.8	50.3	0.5	3.5						
Insurance	40.3	40.6	38.5	-0.8	4.8						
Real Estate	19.6	19.5	18.8	0.6	4.4						
Service	443.6	442.1	424.5	0.3	4.5						
Hotel and Lodging	26.0	25.7	24.7	1.2	5.2						
Business Services	83.3	82.6	75.8	0.8	9.8						
Health Services	139.0	138.7	137.0	0.2	1.5						
Private Education	17.9	17.6	17.9	1.5	-0.1						
Soc., Serv., Museums etc.	93.4	93.7	90.4	-0.3	3.3						
Government	272.0	277.2	267.0	-1.9	1.9						
Federal	31.9	31.9	31.1	-0.1	2.5						
State	65.1	65.5	64.4	-0.6	1.1						
Local	175.0	179.8	171.5	-2.6	2.1						

1/ Totals may not add because of rounding.

2/ Includes Scientific Instruments and Miscellaneous Industries.

Labor Market Conditions

Labor Force Data: State, MSAs, and Counties

Area or County	August 1985 Prelim.			
	Labor 1/ Force	Unemp.	Unemp. Rate Aug. 1985	Unemp. Rate Year Ago
State of Minnesota	2238053	114610	5.1	5.2
Metropolitan Areas				
Duluth/Superior MSA	100146	9177	9.2	10.9
St. Louis County	83867	7852	9.4	11.6
City of Duluth	33273	1984	6.0	6.5
Douglas County (Wisc.)	16279	1325	8.1	7.4
Fargo/Moorhead MSA	80183	2796	3.5	3.1
Cass County (N. Dakota)	51663	1667	3.2	2.5
Clay County	28371	1182	4.2	4.2
Mpls./St. Paul-MN-WI MSA	1262291	54059	4.3	4.2
Anoka County	117964	5499	4.7	4.1
Carver County	21943	816	3.7	3.3
Chisago County	15506	732	4.7	4.3
Dakota County	117725	4942	4.2	3.9
Hennepin County	551704	23863	4.3	4.3
City of Bloomington	48261	2308	4.8	4.2
City of Minneapolis	212972	9669	4.5	4.7
Isanti County	13934	729	5.2	4.7
Ramsey County	268562	11621	4.3	4.5
City of St. Paul	156617	7680	4.9	5.0
St. Croix County (Wisc.)	25607	889	3.5	3.9
Scott County	26427	1211	4.6	3.7
Washington County	68043	2349	3.5	3.6
Wright County	34876	1408	4.0	3.4
Rochester MSA-Olmsted Cty.	62477	2283	3.7	3.8
St. Cloud MSA	79746	5011	6.3	7.2
Benton County	12305	748	6.1	7.6
Sherburne County	15078	999	6.6	6.5
Stearns County	52363	3264	6.2	7.3
Counties				
Aitkin	5497	608	11.1	11.1
Becker	12875	937	7.3	9.3
Beltrami	16330	1006	6.2	6.9
Big Stone	4075	185	4.5	5.2
Blue Earth	27610	1411	4.1	3.9
Brown	15557	726	4.7	5.0
Carlton	11201	1367	12.2	9.2
Cass	11252	751	6.7	7.6
Chippewa	7747	426	5.5	5.1
Clearwater	4037	453	11.2	13.7
Cook	2496	158	6.3	7.0
Cottonwood	7672	449	5.9	5.8
Crow Wing	18734	1265	6.8	7.2
Dodge	9063	497	5.5	6.2
Douglas	14511	774	5.3	5.1
Faribault	11838	541	4.6	4.5
Fillmore	13039	726	5.6	5.8
Freeborn	18374	1037	5.6	6.3
Goodhue	20876	1111	5.3	5.3
Grant	3633	143	3.9	4.1
Houston	10545	493	4.7	4.3
Hubbard	5987	506	8.5	8.8
Itasca	16227	1764	10.9	9.6
Jackson	8685	387	4.5	5.4
Kanabec	5924	601	10.1	8.8
Kandiyohi	18985	874	4.6	4.9
Kittson	3469	292	8.4	8.1
Koochiching	7442	890	12.0	7.8
Lac Qui Parle	5844	216	3.7	5.2
Lake	4527	[illegible]	10.6	10.9
Lake of the Woods	2073	117	[illegible]	6.8
Le Sueur	13945	761	5.5	[illegible]
Lincoln	3988	172	4.3	4.7
Lyon	15555	648	4.2	4.2
McLeod	19221	783	4.1	3.9
Mahnomen	2866	222	7.7	9.2
Marshall	6343	591	9.3	10.2
Martin	14514	750	5.2	5.7
Meeker	11779	849	7.2	7.2
Mille Lacs	9278	643	6.9	7.6
Morrison	13085	1031	7.9	7.9
Mower	18203	951	5.2	5.7
Murray	6335	329	5.2	6.0
Nicollet	14563	621	4.3	4.0
Nobles	12132	650	5.4	5.9
Norman	4936	276	5.6	5.2
Otter Tail	25407	1660	6.5	6.7
Pennington	6254	416	6.7	6.9
Pine	9429	739	7.8	7.5
Pipestone	5935	245	4.1	4.1
Polk	16540	1219	7.4	7.9
Pope	5863	296	5.0	5.2
Red Lake	2151	215	10.0	10.4
Redwood	12256	872	7.1	4.0
Renville	13314	883	6.6	6.1
Rice	23893	1503	6.3	6.3
Rock	5881	176	3.0	2.9
Roseau	6677	357	5.3	6.5
Sibley	8747	402	4.6	4.5
Steele	17294	770	4.5	5.3
Stevens	5821	189	3.2	3.8
Swift	5987	440	7.3	8.9
Todd	11662	663	5.7	6.4
Traverse	2948	102	3.5	3.7
Wabasha	10365	598	5.8	6.3
Wadena	5594	364	6.5	7.3
Waseca	10255	507	4.9	3.9
Watonwan	6754	324	4.8	4.9
Wilkin	4280	245	5.7	4.5
Winona	22805	1386	6.1	6.6
Yellow Medicine	7928	342	4.3	4.1

Technical Notes:

[1] Labor force data is computed according to BLS methodology. The method includes an adjustment to assure that the sum of the substate areas equals the separately estimated State total. This adjustment is applied to all county and MSA areas. County and area unemployment was multiplied by an adjustment factor of 1.38 ; employment was multiplied by .98 . For a more detailed explanation see the Review of Labor and Economic Conditions, Vol. 4, No. 4, (February 1978 issue), p. 29.

Labor force is the sum of employment and unemployment; therefore, employment can be derived by subtracting unemployment from the labor force.

Selected Minnesota Program Statistics

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

Claimants for unemployment benefits fell sharply in August, dropping by 6,126 or 16.3 percent. This large percentage decline was considerably steeper than the average July to August decrease of 8.5 percent over the past seven years. Also, most of the industry divisions experienced larger than average percentage declines in August. Moreover, seasonally adjusted data also show that total claimants dropped substantially in August. More than 60 percent of the over-the-month decline occurred in the manufacturing sector where claimants fell by 23.6 percent. Over-the-year, the total number of claimants rose by 6,068 or 23.8 percent. Over 90 percent of the total gain from a year ago took place in manufacturing where claimants jumped by 83 percent from August 1984.

Table 1. Distribution of Insured Unemployed, By Age and Sex, August 1985

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	31560	60.0	100.0	100.0
Under 45	23913	61.0	77.1	73.7
Under 25	4895	60.9	15.8	15.1
25-34	11726	62.5	38.7	34.8
35-44	7292	58.7	22.6	23.8
45 and Over	7647	56.6	22.9	26.3
45-54	4324	55.4	12.7	15.3
55 and Over	3323	53.1	10.2	11.0

Table 2. Distribution of Insured Unemployed By Industry and Occupation, August 1985

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term Unemployed 1/	Women as Percent of Total
Total, All Industries	31560	100.0	21.8	40.3
Ag., For., Fish.	271	0.9	14.0	39.7
Mining	1125	3.6	2.8	6.1
Construction	2252	7.1	16.4	8.9
Manufacturing	12349	39.1	24.3	37.3
Pub. Utilities	1347	4.3	19.9	27.0
Wholesale Trade	2323	7.4	28.3	27.9
Retail Trade	3699	11.7	24.2	48.0
Fin., Ins., Real Est.	888	2.8	32.7	60.1
Services	6262	19.8	19.2	62.0
Public Admin.	603	1.9	12.4	58.9
Inf. Not Available	441	1.4	2.9	38.7
Total, All Occupations	31560	100.0	21.8	40.3
Prof., Tech., Mgr.	5905	18.7	21.8	44.9
Clerical	4311	13.7	24.4	80.9
Sales	1436	4.6	26.2	33.3
Services	2345	7.4	21.8	56.9
Farm., For., Fish.	194	0.6	16.2	18.9
Processing	1118	3.5	23.2	32.5
Machine Trades	2827	9.0	23.7	17.5
Benchwork	4613	14.6	22.2	56.4
Structural Work	3571	11.3	19.6	5.0
Misc.	4980	15.8	18.3	19.1
Inf. Not Available	260	0.8	12.8	51.3

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., whereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand 1/

Occupation	Applicants (Supply) August 1985	Job Openings (Demand) August 1985	Supply/Demand Ratio	
			August 1985	August 1984
Total	98633	18613	5.3	4.8
Prof., Tech., Mgr.	13445	2107	6.4	7.0
Clerical	16489	3461	4.8	4.4
Sales	5419	1772	3.1	2.1
Dom. Services	1541	232	6.6	7.3
Other Services	12463	5178	2.4	2.2
Farm., Fish., For.	5375	405	13.3	20.2
Processing	1895	1897	1.0	2.6
Machine Trades	6778	548	12.4	6.5
Benchwork	7122	740	9.6	7.2
Structural Work	12935	832	15.5	10.3
Mtr. Frght., Trans.	4129	727	5.7	4.5
Pkg. & Mat. Hndlg.	10057	622	16.2	8.9
Other	985	92	10.7	13.6

1/ Inexperienced and improperly coded job applicants are not included in this table.

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November 1985

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MINNESOTA DEPARTMENT OF JOBS AND TRAINING

RESEARCH AND STATISTICS OFFICE

390 N. ROBERT STREET, SAINT PAUL, MN 55101

Dear Reader:

Effective with this issue to the Review, we will be incorporating several changes. Because it was necessary to close our regional LMI centers due to budget cuts, we have included in the Review selected local data that had previously been disseminated by our LMI centers. We hope that this will at least partially meet those user needs that were previously met by the LMI centers. To enable the inclusion of local data, we shortened the "Feature Article" and eliminated the "Editorial Comment." We will conduct a readership survey in the near future to elicit your opinions regarding the content of the Review and also to purge the mailing list.

The Review Staff

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Articles on labor market conditions and the economic welfare of Minnesota workers or general economic conditions within the State are welcome. Articles should be submitted complete with tables and graphs. Length should not exceed ten double-spaced typewritten pages, including graphs, references, and notes. The editorial board reserves the right to edit articles for length and clarity.

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Research Summaries

WAGES: TRENDS AND OUTLOOK

By Bruce Steuernagel

This quarter's Research Summary feature is a collection of recent reports on wage trends. Both wage and salary survey results from the recent past, as well as forecasts of upcoming wage increases are presented for the reader's information. Most reports show wage and salary increases to be low compared to the average of the past 10 years. However, most forecasters are predicting higher wage increases than the past couple of years and continued low inflation rates. This would mean increases in real wage rates.

White-collar salaries increased moderately between March 1984 and March 1985, according to the Bureau of Labor Statistics' survey of pay for professional, administrative, technical, and clerical occupations in medium and large firms. Salary levels rose between 3 and 6 percent for most of the 25 occupations, compared with those in the March 1984 survey. In contrast, occupational salary increases averaged about 7 percent yearly during the 1970's and rose to more than 9 percent in 1981 and 1982 before starting to drop back in 1983. See Table 1. The annual survey is used in the pay comparability process for Federal white-collar employees.

A closer look at some individual job classifications reveals that the pay differential between entry-level professionals and their experienced coworkers widened during the first half of the 1980's, as the latter generally recorded substantially larger salary increases. The following tabulation illustrates this point for four professional occupations. It shows average salaries for journeyman classifications (GS-11 equivalents) as a percent of the average paid to their corresponding entry-levels (GS-5).

	1980	1985
Accountant	173	183
Auditor	180	186
Chemist	171	174
Engineer	147	150

Table 1. Percent increases in occupational pay levels, national survey of professional, administrative, technical, and clerical pay, March 1970 to March 1985

Occupation	Average annual percent increases					
	1970 to 1980[1]	1980 to 1981	1981 to 1982	1982 to 1983	1983 to 1984	1984 to 1985
Accountants	7.3	10.0	9.6	6.9	4.7	4.8
Chief accountants	7.9	9.5	11.4	4.2	5.7	6.2
Auditors	6.6	10.3	9.4	6.1	8.0	3.8
Public accountants	(1)	7.9	6.6	7.1	2.3	4.3
Job analysts	7.0	7.6	9.2	6.7	5.3	5.8
Directors of personnel	7.8	11.4	9.6	8.3	5.3	6.5
Attorneys	7.0	9.8	11.4	7.6	4.8	5.9
Buyers	7.0	9.8	9.4	6.2	5.3	3.8
Chemists	7.2	9.4	10.4	5.8	5.3	5.6
Engineers	7.0	10.9	10.2	7.1	5.2	4.9
Engineering technicians	7.2	10.2	9.4	5.9	4.9	3.7
Drafters	7.3	10.9	8.4	7.6	3.6	3.7
Computer operators	(1)	—	8.9	6.8	—	4.2
Photographers	(1)	—	9.7	8.1	6.9	2.3
Computer programmers	(1)	—	—	6.5	—	4.5
Systems analysts	—	—	—	—	—	4.0
Accounting clerks	6.7	9.6	8.9	8.1	3.8	4.8
File clerks	6.9	8.0	7.2	6.4	2.1	3.7
Key entry operators	7.3	8.2	9.4	7.3	3.4	3.6
Messengers	6.7	9.7	6.4	9.2	2.9	4.1
Personnel clerks assistants	(1)	—	10.2	9.7	5.4	2.7
Purchasing assistants	(1)	—	—	9.3	6.8	5.1
Secretaries	(1)	—	9.2	7.1	5.0	4.7
Stenographers	8.4	12.1	13.8	8.6	5.5	4.9
Typists	7.1	10.2	10.1	6.8	2.0	5.9

[1] Average was not computed when data were available for fewer than 8 years

NOTE Dashes indicate that data were not available for one or more years because the survey occupation was newly added or the definition was revised

Source: Monthly Sales Review, U.S. Department of Labor, BLS, October 1985 p. 44

A Hay group survey among 850 industrials finds that base salary for professionals will be up 6.3% in 1985 and 5.3% in 1986. Increases in base salary for middle managers are anticipated at 6.9% in 1985 and 5.8% in 1986. For executives, the estimated increases are 7.2% and 6.3%. The 1986 estimates assume a 4.5% increase in Consumer Price index for 1985.

The Conference Board reports that salaried employees across the country will receive pay increases averaging 6% this year and in 1986, with the largest gains in banking (7%). Other average increases are 6.5% in insurance, 6% in manufacturing, retailing and utilities; and 5% in construction. The Conference Board's economic model shows the inflation rate at 3.4% this year and 3.5% next.

The Administrative Management Society's Survey of Office Salaries shows that pay for 20 jobs reported in the survey in the 1985-86 survey rose between 1.3% and 10.9% over the year. The top paying job is executive secretary/administrative assistant at $368 per week, up 3.1% over last year. File clerks are at the bottom, averaging $213 per week. Lead word processing operators advanced 10.2% to $335 weekly. 1/

A **Business Week** survey of major compensation consultants shows that most of them expect pay scales for white-collar employees to rise by 6.2% in 1986, down slightly from the average increases granted in 1984 and 1985, but well above the 4.2% rise in consumer prices expected by the government.

Although pay increases are smaller than in the 1979-81 period, many salaried employees will be better off than in the late 1970s when rampaging inflation caused declines in real earnings.

Workers in high technology will find their wages squeezed in 1986. Although 1985 saw computer and software companies ranking above the national average, with salary increase budgets as high as 7.6%, these workers will get smaller raises in 1986, reflecting the hard times in the computer industry.

The increases projected for white-collar workers appear to be well above those for blue-collar workers. So far this year, the first-year wage increase in major union contracts has averaged only 2.8% says **Business Week**, in reporting on this survey in its October 7, 1985 issue.

The 1985 College Recruiting Report shows starting salaries for inexperienced college graduates up 1.3% to 12% depending upon the field. Engineering bachelors' received an average monthly salary of $2,248, up 2% from last year, while technical graduates in fields other than engineering were up 5.3% to $2,057. For non-technical bachelor's graduates, the average was $1,551, up 5.1% over last year. Among engineering bachelor's graduates, chemical and aeronautical graduates at $2,325 and $2,322 respectively were highest paid; the lowest paid were in agricultural and civil engineering at $1,944 and $1,982 respectively. The average starting salaries of the other six engineering curricula studied ranged from $2,188 to $2,299.

Among other technical bachelor's graduates, the highest paid curriculum was geology, $2,223 per month, and the lowest chemistry, $1,894, with the average starting salary in the other four technical curricula ranging from $1,931 to $2,148.

Among non-technical bachelor's graduates, the average was $1,551, up 5.1% from last year with the highest paying curriculum being industrial management, $1,826, and the lowest education, $1,444. 2/ ●■●

1/Source: Manpower Comments, Scientific Manpower Commission, September 1985, pages 12, 13.

2/Source: Manpower Comments, Scientific Manpower Commission, November 1985, pages 13, 14.

The Job Market

THE FOOD STORES INDUSTRY

By D. Detrick

Employment in the Food Stores Industry has nearly doubled over the last twenty-five years in Minnesota. Between 1982 and 1990, industry employment is expected to grow almost one and one half times the rate projected for total State employment. The industry's growth rate is also expected to surpass that of the total retail trade sector over the same time period. This article outlines the composition, employment, and occupational staffing patterns for the industry.

The Industry

The Food Stores Industry includes retail stores selling food for home preparation and consumption. Establishments selling beers and liquors or prepared foods and drinks for consumption on the premises are not classified in this industry.

There are over 2,900 food stores in Minnesota. The industry employs about 46,500 workers, or 2.4 percent of the State's nonagricultural wage and salary employment. The Minneapolis-St. Paul nine-county metropolitan area employs 56 percent of the industry's workers.

The majority of the industry's employees (83 percent) are involved in the retail sale of canned or dry goods, fresh fruits and vegetables, meats, fish and poultry in supermarkets, food stores, grocery stores and delicatessens. An additional 10 percent produce or sell bakery goods chiefly sold on the premises. The remaining 7 percent of food store workers are engaged in the following activities: the retail sale of meat and fish; the sale of candy, nuts, sweetmeats, popcorn and other confections; the sale of miscellaneous specialized foods; the sale of fresh fruits and vegetables commonly found in public or municipal markets; and the retail sale of dairy products, excluding ice cream stands and processors and distributors of milk and ice cream.

Occupational Staffing Patterns

About 92 percent of the Food Stores Industry workers are described by five major occupational groups; namely, sales workers, laborers, craft workers, managerial and professional workers, and clerical workers. Table I summarizes occupational staffing patterns for the entire industry.

TABLE I

Occupational Staffing Patterns for the Food Stores Industry

	Percent of Industry Employment		
Major Occupational Groups	1980	1982	1990
Managerial and Professional	6.7	7.0	8.0
Technical	0.2	0.2	0.3
Sales	42.6	43.3	46.5
Clerical	6.1	6.1	6.0
Service	4.6	4.5	4.0
Farming	0.0	0.0	0.0
Craft	11.4	11.1	8.6
Machine Operators	2.9	3.0	3.0
Laborers	25.4	24.8	23.5

Sales workers account for over forty-three percent of the workers in the Food Stores Industry. An increase in the proportion of sales workers is expected as sales employment is projected to rise by thirty-two percent between 1980 and 1990. This rate of growth is considerably higher than the twenty-one percent anticipated for the industry as a whole. Significant sales occupations include cashiers (64 percent), sales supervisors and proprietors (23 percent) and sales workers in other retail and personal services (12 percent).

Laborers represent 25 percent of the industry's employment, forming the second largest major occupational group. By 1990 this share of industry employment is expected to drop as technological advances reduce the need for laborers. Eighty percent of laborers work as stock handlers and baggers. Other laborers are employed as hand packers and packagers (9 percent), laborers excluding construction work (4 percent), and production helpers (3 percent).

The major occupational group of craft workers comprises eleven percent of Food Stores Industry employment. Craft worker's employment fell more than any other occupational group between 1980 and 1982, and is projected to continue this decline into 1990. Sizeable craft occupations include butchers and meat cutters (56 percent), bakers (33 percent), and production supervisors (6 percent).

Managerial and professional workers make up seven percent of industry employment. The number of food store employees in this major occupational group is projected to increase by forty-four percent between 1980 and 1990. Two occupations expected to experience a similar rate of growth include managers and administrators not elsewhere classified (70 percent of managerial and professional employment), and marketing, advertising and public relations managers (7 percent).

The number of clerical workers should follow the overall employment trend in the Food Stores Industry. Clerical workers are expected to maintain their current six percent share of industry employment through 1990. Significant clerical occupations include the following: bookkeepers, accounting and auditing clerks (33 percent); stock and inventory clerks (20 percent); and general office clerks (11 percent).

The four remaining occupational groups constitute about eight percent of industry employment. Janitors and cleaners and truck drivers of heavy vehicles are the only two occupations with more than 400 workers. By 1990 truck drivers of heavy vehicles are expected to increase their share of employment in the machine operators group. Janitors and cleaners are also projected to form a larger proportion of service employment in the future. •••

SUPPLY/DEMAND FOR SPECIFIC OCCUPATIONS, OCTOBER, 1985 1/

By S. Hamper

MINNESOTA

Shortage Occupations: commissioned sales persons#, food service workers#

Surplus Occupations: entry level managers#, construction workers#, assemblers#, general laborers#

CENTRAL MINNESOTA

Shortage Occupations: highly skilled cooks

Surplus Occupations: sales clerks, cashiers, construction and warehouse laborers#, assemblers

MINNEAPOLIS-ST. PAUL

Shortage Occupations: commissioned sales persons#, skilled clerical workers#, waiters/waitresses, food service workers#

Surplus Occupations: entry level managers#, electronic assemblers#, construction workers, general laborers#

NORTHEASTERN MINNESOTA

Shortage Occupations: none

Surplus Occupations: entry level managers#, teachers#, social workers#, nurses#, office clerical workers#, typists#, bookkeeper#, sales clerks#, maids#, waiters/waitresses#, food production workers#, machinists#, welders#, auto mechanics#, maintenance mechanics#, carpenters#, bricklayers#, pipefitters#, electricians#, painters#, mining crafts#, laborers: construction, general, and mining#

NORTHWESTERN MINNESOTA

Shortage Occupations: commissioned sales persons#

Surplus Occupations: clerical workers#, construction workers#, general laborers#

SOUTHERN MINNESOTA

Shortage Occupations: various part-time positions#

Surplus Occupations: clerical workers, construction workers#, factory workers#

1/ Shortage occupations are those that are difficult to fill or go unfilled due to the lack of qualified applications. Surplus occupations are those in which the number of qualified applicants greatly exceeds the number of openings.

# This occupation has been listed as a shortage or surplus occupation in at least two out of the last three quarters of the Review.

SUPPLY/DEMAND TABLE APPEARS ON PAGE 26

ROBOTS: FRIEND OR FOE?

When Star Wars' R2D2 and C3PO joined forces to become the silver screen's first robot comedy team, the movie going public embraced them as it had Laurel and Hardy, Abbott and Costello, Martin and Lewis. Nearly a decade earlier, in Arthur C. Clark's 2001, the HAL 9000 computer, a far less endearing robot-brain, had terrorized the crew of the Discovery space probe as it rendezvoused with the huge monolith circling the planet Jupiter.

Today, the word "robot" alternately evokes the same images of fellow-feeling and fear. Robotics enthusiasts contend that these new super machines will free humans from dangerous and boring work, reduce production costs, and create a new glamour-field of technicians and engineers. At the other extreme, the wary fear that these presently stolid automatons will displace workers en masse (especially low-skilled entry occupations) and drive wages down. Are robots unpredictable humanoid replicas to be feared, as science-fiction often casts them? Or are they willing and infatigable assistants that will eliminate many repetitious, dangerous, low-paying jobs, and create in their place high-paying mentally stimulating jobs?

Will the Real Robot Please Stand Up?

Before the impact of robots can be assessed, the concept of a robot should be refined. The term "robot" comes from the Czech word, robota, which means "forced service." Reflex imagery at the word's mention conjures up pictures of a man-like machine, a sort of work oriented Tin Woodsman. While that image may materialize, the robot of today is far less glamourless, the most common species being a pillar-mounted, multi-jointed arm that moves mechanically on command from a computer. The Robot Institute of America (RIA), a trade association of industrial robot manufacturers, defines a robot as:

> A reprogrammable multifunctional manipulator designed to move material, parts, tools, or other specialized devices through variable programmed motions for the performance of a variety of tasks.

A non-glamorous description of what today essentially remains a non-glamorous piece of hardware. Yet, these first generation robots are uniquely different from other forms of automated machine tools in that they are more controllable and reprogrammable. This flexibility separates them from other fixed-stop and pick-and-place robot look-alikes, and makes them suitable for several manufacturing functions such as welding, spray painting, and applying other coatings. Moreover, robots can do things humans cannot, such as reach into a hot furnace to fetch a part, or things that humans don't like to do, like working with asbestos, lacquers, and other toxic and carcinogenic materials.

Reprogrammability is the key word in defining robotics, but beyond that the concept is somewhat hazy. The Japanese, who are most liberal in their definition, recognize six classes of devices as robots, all multifunctional, memoried, capable of rotation and replacing human workers. The U.S.'s more restrictive definition does not recognize the first two on the list below as "sophisticated" robots.

1. Manual Manipulators: an operator worked manipulator of objects.

This article was prepared by Ron Daws, Research Analyst in the Research and Statistics Office.

2. Fixed Sequence Robot: A manipulator that repetitively performs a predetermined sequence of non-variable operations which cannot be changed easily.
3. Variable-Sequence Robot: The same as 2 above, except that the set information can be easily changed.
4. Playback Robot: A memoried manipulator that can duplicate operations originally learned under human control. All operations (sequence, conditions, and positions) can be recalled or played back to perform the operation repetitively and automatically from memory.
5. N.C. (Numerical Control) Robot: A manipulator commanded by numerical data to perform tasks according to the sequence, conditions, and position given. The controlling software includes punched tapes, cards and digital switches.
6. Intelligent Robot: A robot with visual and/or tactile sensory perception with which to detect changes in the work environment or work condition in order to decide how to proceed with the operation.

Although most of today's robots are basically "dumb machines" - generally immobile, lacking any visual or tactile sensory perception, and essentially unadaptable to their environment, already some of them are being used to load and unload a variety of machines, and relocate materials. In Japan, they perform fetch-and-tote errands, and function as low-level nurses aides, lifting and turning patients. On the horizon are plans for such diverse functions as night watchman, battlefield tank driver, fruit harvester, and such farm applications as insecticide sprayer, fertilizer spreader, egg inspector and packer, milker, and sheep shearer.

Robot vision is improving, albeit slowly and with great difficulty. A "seeing" robot would scan for something unexpected and presumably stop itself before getting into trouble. General motors is currently exploring capacitance antennas that measure electric displacement, and at Rensselaer Polytechnic, researchers are studying infared detectors, such as those used in burglar systems, microwave sensing, and ultrasonic sensors.

But it may be a combination of capacitance sensors and ultrasonic devices such as the rangefinders used in some Polaroid cameras that hold the greatest promise. Such devices fire in sequence eight ultrasonic sensors in a robot arm. An unexpectedly quick echo from any sensor triggers a refiring to double-check, and then stops the robot. But considerable work is needed to refine these machines' reliability as well as that of using another approach--"hearing" robots that halt if a person shouts, "Stop."

Where Robots Work

Japan owns 57 percent of the world's robots, and over 60 percent of them help build automobiles. Roughly 57 percent of that car building function is to perform routine, precise spot welds. Another 24 percent of Japan's auto industry robots perform more complicated arc welding, and 11 percent spray paint or apply other coatings. The U.S. is in second place in the use of robots, just edging out West Germany. Of the U.S.'s 19 percent of the World's share, 70 percent are used in the automobile industry, mostly to weld and coat. England, as Prime Minister Thatcher laments, uses only about six percent of the world's robots.

Virtually all robots today are used in manufacturing firms. The bulk of these devices cut, bend or join fabricated metal products and machinery, and the rest work with instruments and related products, primarily electronics. In Japan robots work in shipyards, textile mills, and appliance factories. The

Japanese are also a major exporter of robots.

May I Cut In?

In view of the excitement over robots, one would think that their application would have proliferated. The truth is, relatively few industries actually use them, undoubtedly because to date, their proven industrial applications are limited compared with their cost.1/ Current economic uncertainty is also a villain. Potential robot users are hesitant to make investments because they lack confidence in the current economic recovery continuing and being permanent. Transient increases in manufacturing can be filled by adding people that can be let go during economic downturns. Assembly tasks hold promise for the future, but it is estimated that in 1982 only 6,300 robots were operating in U.S. factories, and fewer than 2,000 workers nationwide were employed to design, construct, operate, and repair them. The W.E. Upjohn Institute for Employment Research in Kalamazoo, MI, projects that in 1990 there will be from 50,000 to a maximum of 100,000 robots in the U.S. If accurate, this implies an annual growth rate of 30 to 40 percent for the intervening eight years, and that roughly 15,000 to 19,200 robots are already operating in the U.S. in 1985.

Other studies are more conservative. One of them speculates that the U.S. auto industry could have 14,000 to 20,000 robots in place by 1990, and that the total for all U.S. industries could reach 40,000, given a breakthrough in the state-of-the-art.

Corresponding to the W.E. Upjohn Institute projection of 100,000 robots working by 1990, are other estimates of 100,000 to 200,000 robots, one quarter of them in the auto industry. Even that many robots should not create a general problem before 1990 because the elimination of a job task is not the same as an actual layoff of workers. The reason is that voluntary turnover has historically taken up the slack. Recent GM-UAW agreements appear to provide adequate job security measures. Nevertheless, in the most affected auto industry, the intrusion of robots into the labor force will be serious. Perhaps 6-11 percent of the operatives and laborers will be displaced between 1982 and 1990, particularly those who paint and weld where the loss may be 15-20 percent for welders, and 27-37 percent for painters.

Although few workers will be thrown out of jobs, job seekers may find that these traditional sources of opportunity have dried up. As robots become less expensive, easier to install, and increasingly infused in industry, it will undoubtedly be the less skilled whose jobs can be performed by robots who will be affected.

Job Creation

On the brighter side, the forecast for 1990 also includes the direct creation of 32,000 to 64,000 jobs in the U.S., over half of them for technicians and engineers to manufacture, supply, operate, and service robots. Most of this group will be technicians - those with the training and experience to test, program, install, troubleshoot and maintain robots. The rest will mainly be engineers - primarily electrical and mechanical - who will work on the development and construction side.

No good data exists from which to estimate the net employment impact on the nation's labor force, let alone Minnesota's. Robotics are not identified as a separate industry in

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1/ According to the Robotics Industry Association, the average robot in the U.S. currently costs about $65,000 per installation (discounting the cost of redesigning the workplace) and has a life expectancy of about five to eight years.

government classification systems. The Bureau of Labor Statistics (BLS) places lifting and handling robots with Standard Industrial Classification (SIC) 3537-Industrial Trucks and Tractors. All other robots are in SIC 3569-General Industrial Machinery, NEC. This hinders the production of good information on robotics.

Tanner and Adolfson, in their study for the auto industry, thought that in the early 1980's one robot replaced 0.9 workers, and that that will improve to 1.2 workers by 1990. So in a two-shift operation (an assumed average), two workers may soon be displaced for each robot installed.

The impact of robotics on Minnesota's industry and labor force will undoubtedly be evolutionary rather than revolutionary. The use of robotics in Minnesota is so small and likely to remain small until the turn of the century, that the overall impact on employment (and unemployment) will be slight. Jobs eliminated by robotic devices should be at the semi- or unskilled level, while the jobs created will require significant technical background. One main factor limiting the use of robotics in the near future could be the lack of trained personnel, both to design and implement robotics technology, and to maintain and support it once installed. The main shortages would be for engineers with practical robotics experience.

Robots are only one type of automated equipment, and it is important that the training be sufficiently varied to ensure that students in these programs graduate flexable enough to work on varied types of equipment. Although most robotics technicians may be trained in two-year college or vocational technical programs, it's also likely that many firms will upgrade existing workers according to their own methods.

Already the Vocational Technical Institutes in Minnesota are having difficulty finding qualified instructors for state-of-the-art robotics programs, and the students entering these classes often are already engineers or engineer technicians.

In spite of considerable hype, robotics is still an infant industry, and even at 30 to 40 percent annual growth rates, it could not exert formidable impact on job elimination within the next decade. Job creation due to robotics will be even more modest. Engineers and technicians will require specialized training. Overall supply-demand conditions for robotic technicians and engineers for Minnesota (and the Nation) are impossible to evaluate now, but one thing seems clear: the education system should focus on training fewer, highly skilled, ready-to-work graduates rather than a lot of minimally trained, entrants into this job market. ●▪●

Brief Analysis Of Economic Conditions

THE NATIONAL AND STATE ECONOMIES IN THE THIRD QUARTER

By B. Boyle

Nation

The Nation's economy improved in the third quarter largely as a result of strong consumer spending, particularly on purchases of new cars. In October, however, consumption dropped sharply and a number of economists believe that the growth of spending as well as overall gross national product will be slower in the fourth quarter.

Labor market conditions were a little brighter in the third quarter. The Nation's seasonally adjusted unemployment rate averaged 7.2 percent in the third quarter, down from 7.3 percent in the second quarter and 7.4 percent in the third quarter of 1984. Also, seasonally adjusted nonfarm payroll employment rose by 642,000 in the third quarter after a very weak rise of 563,000 in the second quarter. However, payroll employment gains in the five previous quarters had all been greater than 800,000 per quarter. Employment in manufacturing has now declined for three quarters while employment growth in trade has slowed considerably in the past three quarters. The large October increase of 414,000 in payroll employment may have been exaggerated because a number of normal seasonal declines did not materialize.

Developments in other indicators in October suggest that economic growth in the fourth quarter may be sluggish. Both retail sales and personal consumption expenditures fell sharply in October after good gains in August and September. The major cause of these declines was the end of cut-rate financing for new cars. Also industrial production continued to be weak, showing no growth in October after a small decline in September.

State

Economic developments in Minnesota in the third quarter were rather mixed, with a rise in unemployment and a decline in total employment contrasting with a healthy increase in nonagricultural wage and salary employment. In October, however, total employment also rose substantially.

The State's seasonally adjusted unemployment rate rose significantly in the third quarter, climbing from 5.2 percent in the second quarter to 5.9 percent in the recent quarter. In the third quarter of 1984, the rate averaged 6.0 percent. Seasonally adjusted total employment fell by 9,900 in the third quarter after a drop of 31,000 in the second quarter. On the other hand, adjusted nonfarm payroll employment rose by nearly 4,400 in the third quarter after a gain of only 1,300 in the second quarter. A large part of the third quarter rise in payroll employment was in the services and government sectors. Employment in manufacturing fell for the third consecutive quarter, dropping by 5,100 in the third quarter after declines of 3,100 in the second quarter and 900 in the first quarter. Trade employment also has been declining in the past six months, falling by 400 in the third quarter after a drop of 2,000 in the second quarter. Employment in construction barely rose in the third quarter following a decline of 1,900 in the second quarter. In October, seasonally adjusted total employment climbed by 23,000 while adjusted payroll employment increased by 3,300. Over-the-year, total employment was down by 23,000 while nonfarm employment was up by 28,000. Except for mining and manufacturing, employment in all industry divisions was above year earlier levels. ●▪●

Forecasts

FORECASTS OF GNP & MINNESOTA PAYROLL EMPLOYMENT

By C. Cline

Our forecasts continue to show strong growth. For the period 85:3 - 86:3 real GNP is forecasted to grow at 7.77 percent and total Minnesota wage and salary employment by 5.51 percent. Over the next four quarters, ending with 87:3, the growth rates are 4.96 for real GNP and 6.86 for employment. These rates are just slightly above last quarter's forecasts. The remarks as to freedom from judgemental revision of the computed forecasts, leaving that to the discretion of each reader, and the impact of interest rate reductions and presence of trend terms in our equations still apply.

When compared with actual third quarter values, our forecasts were slightly high, although for four of the more stable industries we were low. However other forecasters were overly bearish. This prompts the following remarks.

All forecasts, whether of state revenue and employment or national GNP, are bound to be wrong. Risk and uncertainty is part of the game and forecasting is one activity in which one is always sure to be wrong. Forecasts are just data to the decision maker, and just as no decision maker relies on any one set of data in making decisions, the same applies to forecasts. He or she must gather several proficient forecasts, seek council and apply judgement, and then arrive at his or her own synthesis.

Quarter	Real GNP (Billions of 1972 Dollars)	MINNESOTA PAYROLL EMPLOYMENT, BY QUARTER (In Thousands)								
		Total Nonagricultural Wage & Salary	Mining	Contract Construction	Manufacturing	Transportation, Communications, & Public Utilities	Retail and Wholesale Trade	Finance, Insurance, & Real Estate	Services	Government
Current										
1985-III	1688.90	1894.30	9.12	85.36	383.61	99.35	481.94	111.59	444.49	278.84
Forecasts										
1985-IV	1719.09	1924.99	8.39	81.19	376.95	101.99	489.62	111.36	453.99	302.57
1986-I	1754.66	1888.09	8.29	61.60	372.76	99.30	474.40	111.81	453.76	303.93
1986-II	1787.66	1962.42	9.77	77.72	382.08	101.79	496.60	114.32	471.79	303.91
1986-III	1820.12	1998.76	9.93	92.44	402.64	103.15	505.39	116.24	478.93	281.25
1986-IV	1848.43	2047.77	9.37	88.39	402.44	107.51	517.48	116.32	489.38	304.24
1987-I	1871.55	2014.98	8.91	66.70	402.07	105.34	503.57	116.87	488.74	306.32
1987-II	1892.58	2097.04	10.18	83.95	413.33	108.00	528.92	119.67	509.53	306.06
1987-III	1910.44	2135.96	10.28	99.34	434.50	109.39	537.06	121.78	516.58	284.52

Notes

1. These forecasts are produced using the Vector Autoregression model developed for Research by Rao Aiyagari.
2. The concept of employment forecasted is that of Nonagricultural Wage and Salary employment. The count represents the number of jobs held since the data is generated from a survey of employer payroll records. Groups included in labor force employment, but excluded here are the self employed, domestics, unpaid family workers, employees of nonprofit institutions, and those government workers not covered by unemployment insurance.
3. Employment forecasts are seasonally unadjusted values. Real GNP is seasonally adjusted.
4. Forecasts of major industry employment do not sum to the forecast of total wage and salary employment. This is due to random error in the forecasted values.
5. There is great diversity in the accuracy of the forecasts among the major industry divisions, especially mining. More information on their accuracy can be obtained from the author on request.

Analysis of Local Conditions

CENTRAL AND NORTHWEST MINNESOTA

by Ron Daws

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Oct. 1985	Sept. 1985	Oct. 1984	Oct. 1985	Sept. 1985	Oct. 1984	Cur. Mo.	Mo. Ago	Yr. Ago
St. Cloud MSA	81157	80218	81708	5003	4852	5643	6.1	6.0	6.9
REGION 1	46946	46701	48349	2908	2839	3178	6.2	6.1	6.6
Kittson	3348	3349	3511	191	181	251	5.7	5.4	7.1
Marshall	6088	6138	6513	464	474	571	7.6	7.7	8.8
Norman	4642	4764	4723	199	203	208	4.3	4.3	4.4
Pennington	6288	6221	6463	413	376	431	6.6	6.0	6.7
Polk	17753	17497	18826	1087	1100	1125	6.1	6.3	6.0
Red Lake	2183	2151	2272	218	192	230	10.0	8.9	10.1
Roseau	6644	6581	6041	336	313	362	5.1	4.8	6.0
REGION 2	26855	30834	31935	2386	2166	2678	8.9	7.0	8.4
Beltrami	16704	16382	16998	1066	969	1293	6.4	5.9	7.6
Clearwater	3913	3954	4155	443	429	536	11.3	10.8	12.9
Hubbard	1581	5694	5954	519	438	491	9.3	7.7	8.2
Lake of Woods	1951	2018	1860	138	120	118	7.1	5.9	6.3
Mahnomen	2706	2786	2968	220	210	240	8.1	7.5	8.1
REGION 4	101595	101845	103301	5142	5209	5400	5.1	5.1	5.2
Becker	12123	12468	12651	903	862	1177	7.4	6.9	9.3
Clay	28781	28276	28852	902	1027	713	3.1	3.6	2.5
Douglas	14124	14218	14058	840	786	834	5.9	5.5	5.9
Grant	3529	3497	3593	151	138	177	4.3	3.9	4.9
Otter Tail	24486	24818	25300	1519	1539	1709	6.2	6.2	6.8
Pope	5577	5742	5647	320	326	295	5.7	5.7	5.2
Stevens	5941	5763	5969	211	206	202	3.6	3.6	3.4
Traverse	2784	2841	2906	97	100	113	3.5	3.5	3.9
Wilkin	4247	4222	4325	199	225	180	4.7	5.3	4.2
REGION 5	58100	59159	58774	4307	4036	4533	7.4	6.8	7.7
Cass	10355	10881	10697	840	738	831	8.1	6.8	7.8
Crow Wing	17950	18354	17592	1389	1269	1412	7.7	6.9	8.0
Morrison	12990	12874	13179	1020	992	1133	7.9	7.7	8.6
Todd	11354	11520	11751	713	692	748	6.3	6.0	6.4
Wadena	5451	5530	5555	345	345	409	6.3	6.2	7.4
REGION 6E	58980	60486	59446	3476	3347	3357	5.9	5.5	5.6
Kandiyohi	18623	18717	19016	971	901	911	5.2	4.8	4.8
McLeod	17057	18504	17540	840	782	934	4.9	4.2	5.3
Meeker	10939	11054	11166	805	786	752	7.4	7.1	6.7
Renville	12161	12211	11724	860	878	760	7.1	7.2	6.5
REGION 7E	54623	54501	54852	3490	3545	3237	6.4	6.5	5.9
Chisago	15795	15524	15860	745	730	730	4.7	4.7	4.6
Isanti	14189	14023	14093	737	800	670	5.2	5.7	4.0
Kanabec	5784	5881	5765	547	606	514	9.5	10.3	8.9
Mille Lacs	9171	9263	9320	670	617	641	7.3	6.7	6.9
Pine	9684	9810	9814	791	792	782	8.2	8.1	8.0
REGION 7W	116956	115274	117427	6709	6395	7088	5.7	5.6	6.0
Benton	12767	12487	12795	747	832	1032	5.9	6.7	8.1
Sherburne	15560	15231	15326	1214	1033	996	7.8	6.8	6.5
Stearns	52830	52500	53587	3042	2987	3615	5.8	5.7	6.7
Wright	35799	35056	35719	1706	1543	1445	4.8	4.4	4.0

ST. CLOUD MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	Oct. 1985	Sept. 1985	Oct. 1984	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	62845	62214	61336	1.0	2.5
Total Manufacturing	10116	10114	10247	0.0	-1.3
Durable Goods	5605	5676	5603	-1.3	0.0
Nondurable Goods	5411	4438	4644	1.6	-2.9
Total Nonmanufacturing	52729	52100	51089	1.2	3.2
Construction	3504	3715	3123	-5.7	12.2
Transp., Comm. & Pub. Util.	4080	4105	3790	-0.6	7.7
Wholesale Trade	3199	3217	3008	-0.6	6.3
Retail Trade	15359	15265	14539	0.6	5.6
Finance, Insur. & Real Estate	2106	2098	2050	0.4	2.7
Service & Miscellaneous	12260	12091	12428	1.4	-1.4
Government	12221	11609	12151	5.3	0.6

Over the first 10 months of 1985, the unemployment rates for the St. Cloud MSA have averaged about half a percentage point below those of 1984, with the most improvement over the year occuring since last summer. Early this year over 3200 more people worked in the St. Cloud MSA than a year ago, but by October this advantage had dwindled to 90.

The main employment loser over the year was the Nondurable Manufacturing industry with 133 fewer people (down 2.9 percent). In terms of actual employment loss, Services and Miscellaneous (mainly Mining) lost 168 workers (down 1.4 percent). All other industries added workers, especially Construction, which employed 381 or 12.2 percent more people than last year.

Over the month (September to October), Government was the main gainer of workers (612 persons or 5.3 percent) as schools geared up for the fall opening. Construction employment, up this year over last, lost 211 workers (5.7 percent) since September, however.

The table below provides nine years of summary labor force data for the St. Cloud MSA.

Labor Force, Unemployment, & Unemployment Rate for the St. Cloud MSA

Year	October			Annual Av.		
	L.F.	Un.	Rt.	L.F.	Un.	Rt.
1977	65309	3165	4.8	64024	4234	6.6
1978	67407	2580	3.8	66376	3468	5.2
1979	71310	3240	4.5	70136	3983	5.7
1980	73497	4879	6.6	73045	5719	7.8
1981	76259	5040	6.6	75270	5205	6.9
1982	77230	6049	7.8	76631	6854	8.9
1983	78852	5065	6.4	78185	7497	9.6
1984	81708	5643	6.9	80113	6448	8.0
1985	81157	5003	6.1	-	-	-

Analysis of Local Conditions

MINNEAPOLIS-ST. PAUL MSA

By B. Steuernagel

Total nonagricultural wage and salary employment in the Minneapolis-St. Paul MSA increased by more than the usual rate between September and October. Nearly half of this growth was due to greater than seasonal growth in state education and local government public administration employment. The number of jobs in the manufacturing sector declined for the seventh time in the past eight months. On a seasonally adjusted basis, the number of jobs in the transportation industry was down, while service industry and communications/public utility jobs remained unchanged between September and October. Small employment gains were registered in the construction, trade, and finance industries after adjusting for seasonal variations.

Job growth in the Twin Cities area has slowed significantly since the first of the year. This has also been true nationally but the slowdown has been less pronounced. At the beginning of the year, total nonagricultural payroll employment was 6.0 percent greater than a year earlier in the Twin Cities area and 3.9 percent greater than a year earlier in the Nation. In October, Twin Cities area wage and salary jobs were 2.0 percent ahead of October, 1984, compared to 3.1 percent for the Nation. A rapid deceleration in job growth locally has occurred in the manufacturing and trade sectors. At the beginning of the year, the number of manufacturing jobs in the Twin Cities area was 5.2 percent greater than a year earlier, while in October it is 1.7 percent less than a year earlier. In the trade sector, employment was 8.0 percent greater in January 1985 than January 1984, but in October trade employment was only 1.5 percent ahead of a year ago.

The unemployment rate in the Twin Cities area continued to inch upward in October and now is 0.3 of a percentage point higher than the same time a year ago.

The number of unemployed residents has been moving upwards from about a year ago at this time, but the unemployment rate has not increased dramatically because of a combination of factors. First, employment has continued to grow albeit at a slower rate. Secondly, labor force growth has been slow which is probably due to lower numbers of teenagers looking for work and stable labor force participation rates among adult women in contrast to rising rates in previous years. Economic growth, although slow during 1985, has managed to absorb most, but not all of the people entering the labor force. Consequently, the unemployment rate has risen, but only slightly.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	OCT. 1985	SEPT. 1985	OCT. 1984	OCT. 1985	SEPT. 1985	OCT. 1984	OCT. 1985	SEPT. 1985	OCT. 1984
Minneapolis-St. Paul MSA*	1,287,977	1,265,901	1,290,434	57,846	56,313	54,000	4.5	4.4	4.2
REGION 11	1,196,077	1,175,517	1,199,173	53,071	51,962	50,090	4.4	4.4	4.2
Anoka	120,596	118,474	120,148	6,033	5,860	4,976	5.0	4.9	4.1
Carver	22,427	22,004	22,310	906	849	674	4.0	3.9	3.0
Dakota	120,069	117,990	120,293	5,181	5,057	4,795	4.3	4.3	4.0
Hennepin	562,568	553,050	564,458	24,876	24,509	23,907	4.4	4.4	4.2
Ramsey	273,734	269,360	275,174	11,998	12,078	12,047	4.4	4.5	4.4
Scott	27,052	26,470	26,851	1,366	1,221	1,028	5.0	4.6	3.8
Washington	69,631	68,169	69,939	2,711	2,388	2,663	3.9	3.5	3.8
Chisago*	15,795	15,524	15,860	745	730	730	4.7	4.7	4.6
Isanti*	14,189	14,023	14,093	737	800	570	5.2	5.7	4.0
Wright*	35,799	35,056	35,719	1,706	1,543	1,445	4.8	4.4	4.0
St. Croix, WI	26,117	25,781	25,587	1,587	1,278	1,163	6.1	5.0	4.5
Bloomington	49,016	48,228	49,075	2,206	2,214	2,016	4.5	4.6	4.1
Minneapolis	217,189	213,659	218,222	10,092	10,086	10,024	4.6	4.7	4.6
St. Paul	159,548	157,016	160,390	7,831	7,881	7,867	4.9	5.0	4.9

* Chisago, Isanti and Wright counties are a part of the Minneapolis/St. Paul-MN-WI MSA, but are included in Region 7.

Analysis of Local Conditions

MPLS-ST. PAUL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT 1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS 2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Oct. 1985	Sept. 1985	Oct. 1984	Sept. 1985	Oct. 1984	Oct. 1985	Sept. 1985	Oct. 1985	Sept. 1985	Oct. 1985	Sept. 1985
Total Nonagricultural	1234.5	1223.5	1210.0	0.9	2.0						
Manufacturing	257.7	259.0	262.1	-0.5	-1.7	442.95	427.35	10.91	10.50	40.6	40.7
Durable Goods	163.6	164.2	168.3	-0.4	-2.8	448.26	441.42	10.88	10.51	41.2	42.0
Lumber and Furniture	7.7	8.1	7.2	-5.5	6.7	441.21	447.80	11.46	10.74	38.5	41.7
Stone, Clay and Glass	3.0	3.0	3.7	-1.9	-19.9	391.68	404.37	10.20	10.16	38.4	39.8
Primary Metals	4.5	4.5	4.6	-1.1	-3.2	340.34	370.15	9.10	9.05	37.4	40.9
Fabricated Metals	28.3	28.4	28.4	-0.4	-0.7	511.41	491.77	12.09	11.49	42.3	42.8
Nonelectrical Machinery	71.2	71.2	73.7	0.0	-3.4	459.95	461.78	11.03	10.84	41.7	42.6
Office and Computing	37.3	37.3	39.1	0.3	-4.5	504.50	514.42	11.44	11.56	44.1	44.5
Electrical Machinery	16.5	16.6	18.2	-0.4	-9.3	350.75	357.28	9.04	8.63	38.8	41.4
Transportation Equipment	4.2	4.2	4.1	1.6	4.5	644.48	579.47	14.29	13.23	45.1	43.8
Scientific Instruments	23.8	23.8	24.5	-0.2	-3.0	420.58	408.29	9.99	9.91	42.1	41.2
Miscellaneous Manufacturing	4.5	4.4	3.9	1.4	13.4	382.62	349.15	9.11	9.78	42.0	35.7
Nondurable Goods	94.2	94.8	93.8	-0.7	0.4	434.81	402.82	10.98	10.49	39.6	38.4
Food and Kindred	18.7	19.1	18.8	-2.2	-0.6	381.92	380.83	9.27	9.38	41.2	40.6
Textiles and Apparel	2.0	2.0	2.5	-0.5	-18.4	228.75	228.16	6.25	6.20	36.6	36.8
Paper and Allied	25.8	25.9	26.1	-0.4	-1.1	466.56	433.94	11.52	11.07	40.5	39.2
Printing and Publishing	29.9	29.9	28.7	-0.1	3.9	454.20	400.64	11.89	11.16	38.2	35.9
Chemicals and Petroleum	8.5	8.5	8.4	-0.1	1.6	499.82	490.40	12.59	12.26	39.7	40.0
Rubber, Plastic and Leather	9.2	9.3	9.2	-0.9	0.2	369.87	352.88	9.27	8.80	39.9	40.1
Nonmanufacturing	976.8	964.5	947.9	1.3	3.1						
Mining											
Metal Mining											
Construction	55.2	54.9	53.1	0.5	3.9	642.05	607.92	16.72	16.04	38.4	37.9
Transport., Comm., & Pub. Util	68.0	67.8	68.3	0.2	-0.5						
Transportation	45.8	45.6	45.0	0.6	1.8						
Trucking and Warehousing	15.4	15.4	16.5	-0.2	-7.2	406.94	409.12	12.56	12.14	32.4	33.7
Communication and Public Util	22.1	22.2	23.3	-0.5	-5.1	530.60	514.02	13.64	13.18	38.9	39.0
Trade	304.0	303.5	299.5	0.2	1.5	242.57	240.99	8.14	8.06	29.8	29.9
Wholesale	79.2	79.1	78.0	0.1	1.5	402.80	401.28	10.60	10.56	38.0	38.0
Retail	224.9	224.4	221.5	0.2	1.5	194.10	192.78	7.11	7.01	27.3	27.5
Building Materials	9.9	10.0	10.3	-0.9	-3.2	335.07	351.56	9.13	9.35	36.7	37.6
General Merchandise	38.5	36.5	38.7	5.3	-0.6	183.70	174.65	6.68	6.26	27.5	27.9
Food Stores	26.3	26.5	27.1	-0.8	-2.9	241.82	237.85	8.31	8.23	29.1	28.9
Automotive	22.5	22.6	20.7	-0.7	8.7	398.73	384.85	10.12	10.29	39.4	37.4
Apparel	12.0	11.8	11.6	1.7	4.1	123.66	127.70	5.11	5.17	24.2	24.7
Home Furnishings	9.5	9.3	8.4	1.8	12.3	199.00	252.65	7.21	7.92	27.6	31.9
Eating and Drinking	76.7	78.5	74.4	-2.2	3.1	100.74	98.79	4.82	4.66	20.9	21.2
Fin., Insur., Real Est.	83.9	83.8	80.6	0.2	4.1	315.30	317.32	8.71	8.53	36.2	37.2
Finance	35.4	35.1	34.0	0.9	3.9	312.84	332.94	8.69	8.95	36.0	37.2
Insurance	33.8	34.0	32.2	-0.8	4.8	366.44	357.20	9.42	8.67	38.9	41.2
Real Estate	14.8	14.7	14.4	0.6	2.9	214.52	202.88	6.92	7.02	31.0	28.9
Services	304.7	306.0	288.6	-0.4	5.6						
Personal Services	15.4	15.0	13.7	2.4	12.0						
Business Services	72.4	73.4	68.3	-1.3	6.0						
Repair Services	14.5	14.3	14.1	1.4	2.9						
Health Services	77.5	77.6	74.1	-0.1	4.7						
Hospitals	27.5	27.4	27.1	0.5	1.5						
Nursing Homes	21.8	22.1	20.9	-1.4	4.2						
Legal Services	9.6	9.6	8.7	0.6	10.0						
Private Education	16.5	15.9	15.6	4.1	6.0						
Government	161.0	148.5	157.7	8.4	2.1						
Federal	19.0	18.9	17.8	0.6	6.9						
State	48.1	42.2	48.1	14.1	0.1						
Education	27.1	21.1	26.6	28.4	2.0						
Local	93.8	87.4	91.8	7.3	2.2						
Education	51.9	44.9	50.5	15.6	2.8						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Analysis of Local Conditions

NORTHEAST MINNESOTA

By S. Hamper

The unemployment rate edged up from 9.9 percent to 10.1 percent in the Northeastern Minnesota area from September to October. Increases in unemployment are expected at this time of year, as seasonal layoffs occur in construction and tourism oriented industries. The area's unemployment rate remains substantially higher than that of the rest of the State.

Nonagricultural wage and salary employment increased by 700 in the City of Duluth and 1,280 in the Duluth-Superior MSA from September to October. Virtually all of this increase was registered in the Education, Government, industry sector.

Compared to October a year ago, the size of the labor force in Northeastern Minnesota has decreased by 8,165. Some of this decrease is most likely due to the population loss that has been occurring in the area since the recession. However, most of the decrease is probably attributable to an increased number of discouraged workers who have dropped out of the labor force until economic conditions are more favorable.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Oct. 1985	Sept. 1985	Oct. 1984	Oct. 1985	Sept. 1985	Oct. 1984	Oct. 1985	Sept. 1985	Oct. 1984
REGION 3	131,877	130,028	140,042	13,331	12,913	12,994	10.1	9.9	9.3
Aitkin	5,246	5,369	5,485	594	573	644	11.3	10.7	11.7
Carlton	11,130	11,198	12,091	1,359	1,336	1,099	12.2	11.9	9.1
Cook	2,282	2,344	2,313	159	157	154	7.0	6.7	6.7
Itasca	16,609	16,273	17,659	1,977	1,793	1,636	11.9	11.0	9.3
Koochiching	7,386	7,400	7,890	896	878	701	12.1	11.9	8.9
Lake	4,378	4,450	4,185	531	472	567	12.1	10.6	13.5
St. Louis	84,846	82,994	90,419	7,815	7,704	8,193	9.2	9.3	9.1
Duluth Only	33,889	33,049	36,651	2,182	2,058	2,805	6.4	6.2	7.7
Balance St. Louis	50,957	49,945	53,768	5,633	5,646	5,388	11.1	11.3	10.0

DULUTH AND DULUTH-SUPERIOR MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	Oct. 1985	Sept. 1985	Oct. 1984	Mo. Ago	Yr. Ago	Oct. 1985	Sept. 1985	Oct. 1984	Mo. Ago	Yr. Ago
Total Nonagricultural Wage & Salary	41,470	40,770	41,360	1.7	0.3	86,010	84,730	88,630	1.5	-3.0
Total Manufacturing	3,440	3,490	3,350	-1.6	2.5	6,500	6,620	6,340	-1.8	2.5
Durable Goods	1,620	1,650	1,650	-1.8	-2.1	3,490	3,570	3,490	-2.1	0.0
Nondurable Goods	1,820	1,850	1,700	-1.5	7.0	3,010	3,050	2,850	-1.5	5.6
Total Nonmanufacturing	38,040	37,270	38,010	2.0	0.1	79,510	78,110	82,300	1.8	-3.4
Construction	1,430	1,470	1,490	-3.2	-4.0	3,080	3,220	3,390	-4.5	-9.3
Transp., Comm. & Pub. Util.	3,290	3,330	3,300	-1.1	-0.2	6,360	6,400	6,620	-0.6	-3.8
Wholesale Trade	1,730	1,730	1,810	0.0	-4.4	3,820	3,820	3,890	0.0	-1.9
Retail Trade	8,950	8,920	9,480	0.4	-5.6	17,320	17,360	18,520	-0.2	-6.5
Finance, Insur. & Real Estate	1,760	1,760	1,710	-0.1	2.9	3,020	3,030	2,940	-0.2	3.0
Service & Miscellaneous	11,360	11,460	11,380	-0.9	-0.2	25,230	25,700	27,660	-1.8	-8.8
Government	9,520	8,600	8,840	10.7	7.6	20,680	18,580	19,280	11.3	7.3

Analysis of Local Conditions

SOUTHERN MINNESOTA

by M. Casey

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Oct. 1985	Sept. 1985	Oct. 1984	Oct. 1985	Sept. 1985	Oct. 1984	Oct. 1985	Sept 1985	Oct. 1984
REGION 6W	30,967	31,084	32,044	1,661	1,630	1,723	5.4	5.2	5.4
Big Stone	3,986	3,987	4,184	181	173	221	4.6	4.3	5.3
Chippewa	7,383	7,584	7,515	443	418	375	6.0	5.5	5.0
Lac Qui Parle	5,667	5,747	5,889	247	250	306	4.4	4.4	5.2
Swift	6,218	6,014	6,586	416	412	500	6.7	6.9	7.6
Yellow Medicine	7,713	7,752	7,870	374	377	321	4.8	4.9	4.1
REGION 8	76,173	76,578	77,720	3,882	4,025	3,437	5.1	5.3	4.4
Cottonwood	7,386	7,567	7,691	411	485	401	5.6	6.4	5.2
Jackson	8,548	8,709	7,998	482	532	317	5.6	6.1	4.0
Lincoln	3,805	3,873	3,969	176	170	197	4.6	4.4	5.0
Lyon	15,705	15,492	16,131	757	699	655	4.8	4.5	4.1
Murray	6,057	6,151	6,364	333	325	376	5.5	5.3	5.9
Nobles	11,839	11,904	12,552	604	634	661	5.1	5.3	5.3
Pipestone	5,842	5,877	6,190	254	252	254	4.3	4.3	4.1
Redwood	11,248	11,290	10,848	648	766	389	5.8	6.8	3.6
Rock	5,743	5,715	5,977	217	162	187	3.8	2.8	3.1
REGION 9	119,059	122,276	121,162	6,300	5,796	6,056	5.3	4.7	5.0
Blue Earth	28,130	27,669	29,045	1,280	1,142	1,190	4.6	4.1	4.1
Brown	14,956	15,130	15,393	700	682	861	4.7	4.5	5.6
Faribault	10,978	11,550	11,170	582	512	483	5.3	4.4	4.3
Le Sueur	11,906	13,441	11,451	1,003	778	859	8.4	5.8	7.5
Martin	13,992	14,360	14,200	760	751	732	5.4	5.2	5.2
Nicollet	14,802	14,660	15,333	660	696	661	4.5	4.7	4.3
Sibley	8,208	8,330	8,672	420	392	527	5.1	4.7	6.1
Waseca	9,428	10,472	9,009	544	521	426	5.8	5.0	4.7
Watonwan	6,659	6,656	6,889	351	322	317	5.3	4.8	4.6
REGION 10	224,953	226,271	223,644	11,522	11,054	11,827	5.1	4.9	5.3
Dodge	8,858	8,914	8,681	532	553	563	6.0	6.2	6.5
Fillmore	12,738	12,859	12,527	660	673	646	5.2	5.2	5.2
Freeborn	17,973	18,207	18,385	1,038	981	1,133	5.8	5.4	6.2
Goodhue	20,453	20,655	20,489	1,047	1,065	1,089	5.1	5.2	5.3
Houston	10,328	10,546	10,772	486	469	451	4.7	4.4	4.2
Mower	18,085	18,180	18,125	994	876	1,053	5.5	4.8	5.8
Olmsted	62,831	62,694	59,943	2,365	2,288	2,351	3.8	3.6	3.9
Rice	23,925	24,007	24,066	1,433	1,349	1,511	6.0	5.6	6.3
Steele	16,884	16,920	17,103	917	870	969	5.4	5.1	5.7
Wabasha	9,854	10,272	9,917	776	634	719	7.9	6.2	7.3
Winona	23,024	23,017	23,636	1,274	1,296	1,342	3.8	3.6	3.9
Rochester City	**39,718**	**39,628**	**37,902**	**1,770**	**1,717**	**1,757**	**4.5**	**4.3**	**4.6**

ROCHESTER MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	Oct. 1985	Sept. 1985	Oct. 1984	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	56,840	56,880	55,110	- 0.1	3.1
Total Manufacturing	11,310	11,320	10,950	- 0.1	3.3
Durable Goods	9,270	9,270	9,220	0.0	0.5
Nondurable Goods	2,050	2,060	1,730	- 0.5	18.5
Total Nonmanufacturing	45,520	45,550	44,160	- 0.1	3.1
Construction & Mining	2,410	2,230	2,080	8.0	15.9
Transp., Comm., & Pub. Util.	1,890	1,930	1,880	- 1.7	0.9
Wholesale Trade	1,390	1,380	1,290	0.7	7.2
Retail Trade	10,940	10,840	10,260	0.9	6.6
Fin., Insur., & Real Estate	1,600	1,620	1,510	- 1.7	5.8
Total Services	22,320	22,520	22,120	- 0.9	0.9
Health Services	16,140	16,340	15,390	- 1.2	1.3
Other Services	6,180	6,180	6,190	0.0	- 0.1
Government	4,970	5,030	5,020	- 1.1	- 0.8

Labor force estimates for October continue to reflect a tightening job market in southern Minnesota. During the past three months employment estimates have fallen below the comparable year-ago levels, with the size of the deficit increasing each month.

The uncertainty of the agricultural economy has already had some impact on the job market, in particular, in the farm equipment and supply industries. As the farm economy continues to deteriorate job losses will undoubtedly occur in other parts of the regional job market.

While these recent job losses are cause for concern, it should be noted that employment gains occurred during the first six months of this year. This year's job growth built on the expansion of the job market that has occurred since mid-1983. In fact, the estimated number of job holders in southern Minnesota reached its highest level ever this past June when some 444,000+ were employed.

As the number of available jobs fell from September's level the overall rate of unemployment moved upward. About 5.2 percent of the labor force was unable to find jobs in October. Regional unemployment rates have been slightly above the year-ago levels for several months and the short-term outlook does not appear to offer much hope for any significant improvement during the winter months.

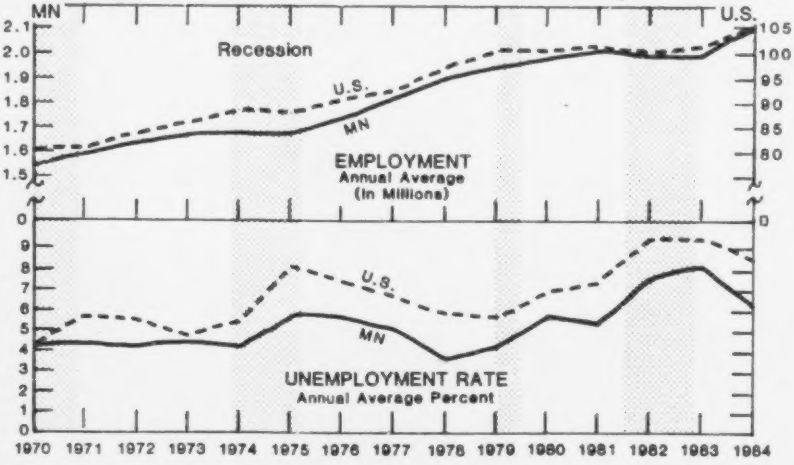
Labor Force Statistics

Labor Force Estimates	MINNESOTA (Numbers in '000's) October 1985	Change From Last Mo.	Change From Year Ago	UNITED STATES (Numbers in '000,000's) October 1985	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2247.1	16.5	-20.7	116.3	0.5	2.1
Employed	2128.9	13.3	-23.4	108.4	0.6	2.2
Unemployed	118.2	3.2	2.6	7.9	-0.1	-0.1
Unemployment Rate						
Actual	5.3	0.1	0.2	6.8	-0.1	-0.2
Seasonally Adjusted	6.3	0.1	0.2	7.1	0.0	-0.2

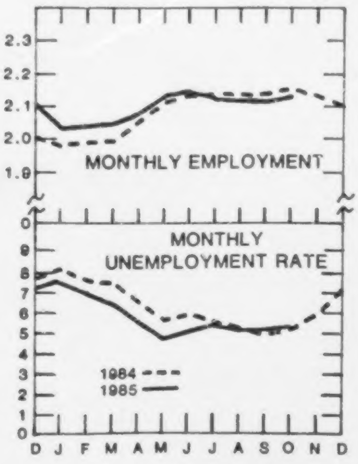
Historical Labor Force Series

Year	Minnesota (Annual Average in Thousands) Labor Force	Employment	Unemployment Number	Unemployment Rate	United States (Annual Average in Millions) Labor Force	Employment	Unemployment Number	Unemployment Rate
1970	1625.0	1557.0	68.0	4.2	82.8	78.7	4.1	4.9
1971	1664.0	1592.0	73.0	4.4	84.4	79.4	5.0	5.9
1972	1704.0	1630.0	73.0	4.3	87.0	82.2	4.9	5.6
1973	1766.0	1686.0	80.0	4.5	89.4	85.1	4.4	4.9
1974	1769.0	1691.0	77.0	4.3	91.9	86.8	5.2	5.6
1975	1790.0	1684.0	106.0	5.9	93.8	85.8	7.9	8.5
1976	1850.0	1740.0	109.0	5.9	96.2	88.8	7.4	7.7
1977	1909.0	1811.0	98.0	5.1	99.0	92.0	7.0	7.1
1978	1979.0	1903.0	76.0	3.8	102.3	96.0	6.2	6.1
1979	2039.0	1954.0	85.0	4.2	105.0	98.8	6.1	5.8
1980	2111.0	1985.0	125.0	5.9	106.9	99.3	7.6	7.1
1981	2154.0	2035.0	119.0	5.5	108.7	100.4	8.3	7.0
1982	2167.0	1998.0	170.0	7.8	110.2	99.5	10.7	9.7
1983	2176.0	1999.0	178.0	8.2	111.6	100.8	10.7	9.6
1984	2229.0	2088.0	141.0	6.3	113.5	105.0	8.5	7.5

MN and the U.S., Employment & Unemployment Rate



MN, 1984 and 1985



Labor Market Conditions

The table and graphs in this section describe the behavior of the market for labor services in terms of its quantity, price, and supply. The quantity of labor services, which is the number of employed persons, is classified by industry. The price of labor services is roughly indicated by the industry wage. Unemployment estimates provide a qualified measure of excess labor supply. The degree to which persons participate in the labor market and the effectiveness of the market in utilizing labor services are indicated by Labor Force Estimates and by Other Rates of Labor Utilization.

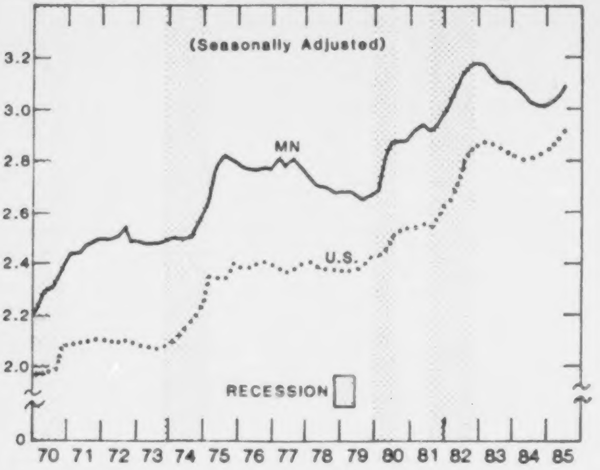
Labor Force & Establishment Data	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Thousands)		
	III QTR. 1985	Percent Change from		III QTR. 1985	Percent Change from	
		Last Qtr.	Year Ago		Last Qtr.	Year Ago
Labor Force Estimates						
Total Labor Force						
Actual	2242.5	0.2	-0.8	116689	1.2	1.4
Seasonally Adjusted	2213.8	0.3	-0.8	115477	0.3	1.5
Employment						
Actual	2125.7	0.1	-0.7	108450	1.4	1.7
Seasonally Adjusted	2082.7	-0.5	-0.7	107193	0.4	1.8
Unemployment						
Actual	116.8	1.4	-2.7	8239	-0.8	-1.7
Seasonally Adjusted	131.1	15.5	-2.5	8284	-1.6	-1.9
Unemployment Rates						
Actual	5.2	2.0	-1.9	7.1	-1.4	-2.7
Seasonally Adjusted	5.9	15.7	-1.7	7.2	-1.4	-2.7
Other Rates of Labor Utilization						
Participation Rt. (Labor Force/Population (16+)	68.9	0.1	-1.7	64.7	0.0	0.5
Full Employment Deficit - Percent of Workers1/	1.2	1.1	1.3	3.1	3.2	3.3
Manpower Utilization Rate2/	83.5	-0.2	-0.9	82.9	0.1	0.0
Nonagricultural Wage & Salary Positions						
Employment (Seasonally Adjusted)	1880.7	0.3	2.5	97936	0.6	3.2
Mining	8.9	-2.2	-8.2	964	-1.5	-1.9
Construction	73.2	-1.2	5.8	4690	0.9	7.3
Manufacturing	375.6	-0.7	-0.5	19331	-0.5	-0.9
Durables	225.3	-0.7	-1.1	11496	-0.8	-1.0
Nondurables	150.3	-0.7	0.4	7835	-0.1	-0.8
Trans., Comm., & Public Utilities	100.0	1.1	2.5	5303	0.2	2.1
Trade	474.8	0.1	2.5	23292	0.8	4.6
Fin., Ins., & Real Estate	110.7	1.5	3.9	5959	1.3	4.4
Services	440.5	0.9	5.0	22049	1.2	5.6
Government	297.0	0.7	2.2	16348	0.9	2.1
Average Weekly Hours (Seasonally Adjusted)						
Mining	39.1	-1.0	0.0	43.3	-0.5	-0.5
Construction	37.5	-1.1	-1.8	37.7	0.3	0.0
Manufacturing	40.4	1.3	0.5	40.5	0.5	0.0
Durables	41.0	0.2	-0.2	41.2	0.2	-0.2
Nondurables	39.6	2.9	1.5	39.6	0.8	0.3
Trans., Comm., & Public Utilities	36.4	-4.0	-3.4	39.4	-0.3	-0.5
Trade	29.9	0.0	-1.6	31.8	-0.6	-0.9
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	36.4	-0.3	-0.5
Services	n.a.	n.a.	n.a.	32.8	0.0	0.0
Average Hourly Wage						
Mining	12.66	-2.5	-2.8	11.95	0.2	2.5
Construction	15.37	-0.3	3.1	12.25	0.7	1.0
Manufacturing	10.01	-0.6	3.4	9.52	0.3	3.6
Durables	10.30	1.1	4.5	10.10	0.5	3.7
Nondurables	9.64	-2.5	2.1	8.70	0.6	3.4
Trans., Comm., & Public Utilities	11.83	1.0	1.3	11.41	1.2	2.2
Trade	7.57	-0.3	0.8	6.87	-0.1	2.2
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	7.92	0.5	3.7
Services	n.a.	n.a.	n.a.	7.93	0.5	4.1

1/ Four percent is a generally agreed upon criteria for measuring full employment. It allows for the movement of persons between jobs. Labor Force Unemployment Rate less four percent, based on official estimates.

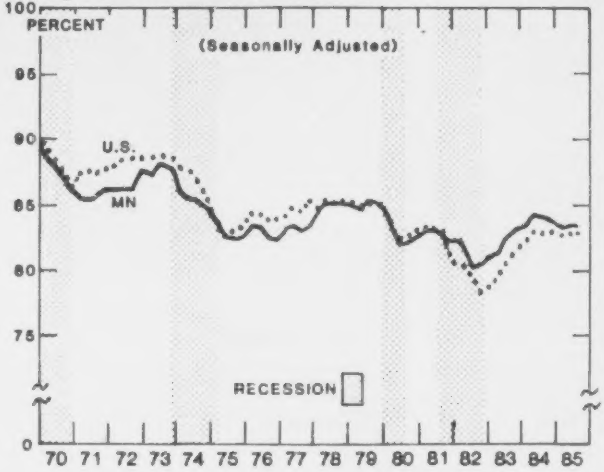
2/ Estimated worker hours expended in nonfarm payroll employment as a percent of potential worker hours assuming that each member of the nonfarm labor payroll labor force was employed at a standard rate of 40 hours per week.

Labor Market Conditions

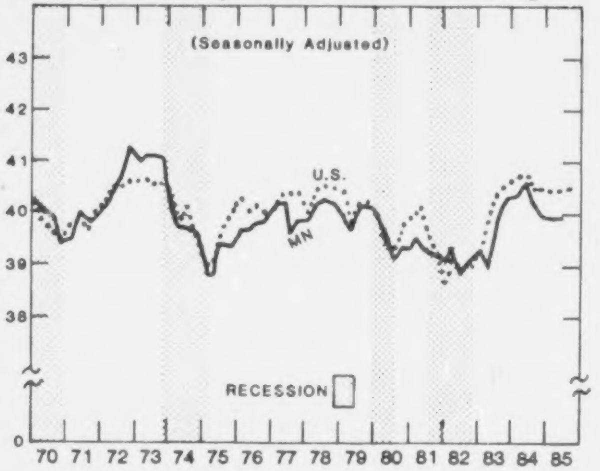
Ratio of Services to Goods Producing Jobs



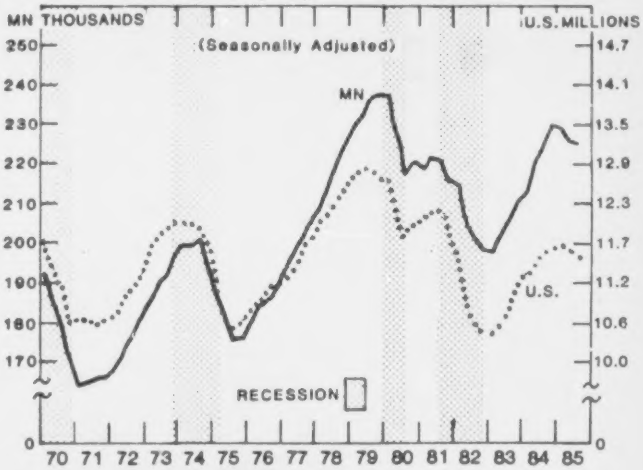
Manpower Utilization Rate



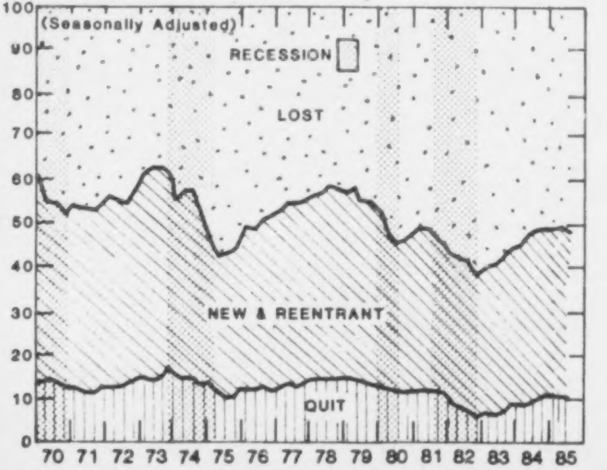
Average Weekly Hours, Manufacturing



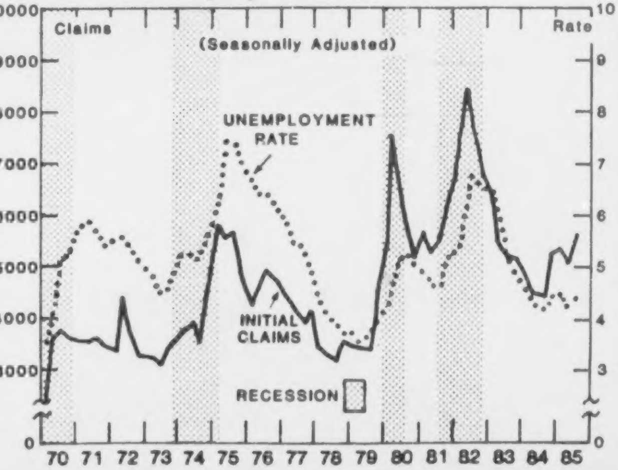
Manufacturing Employment, Durable Goods



U.S. Unemployment:
Percent Distribution by Reason



MN Weekly Initial Claims &
Handbook Unemployment Rate



Labor Market Conditions

The Table below provides data on persons who file claims for unemployment compensation in Minnesota. Only those claiming benefits from the regular State program are represented, since data on the characteristics of Federal employees and veterans are not available, and data on those receiving benefits from extended programs is reported only when those programs are in effect. If those receiving extended benefits were included they would distort the numerical comparisons over time, but would not substantially change the percentage distributions other than to increase the proportion of long-term unemployed.

Persons Claiming Benefits	Third Quarter 1985			October 1985			Percent Long Term
	Number	Percent Change From		Number	Percent Change From		
		Last Qtr.	Year Ago		Month Ago	Year Ago	
By Age & Sex							
Male	20189	-24.9	41.1	19720	4.2	43.6	19.2
Under 45	15682	-24.2	41.4	15161	4.7	41.2	18.4
16-24	3144	-31.3	38.0	3231	14.1	26.6	15.8
25-34	7930	-23.6	41.4	7567	3.5	41.8	18.5
35-44	4608	-19.5	43.7	4363	0.6	53.2	20.2
45 and Over	4507	-27.1	40.1	4559	2.4	52.3	22.0
45-54	2522	-26.6	41.4	2544	2.0	48.4	19.5
55 and Over	1985	-27.8	38.4	2015	3.1	57.5	25.1
Female	12893	10.3	17.4	10924	-1.3	23.9	25.5
Under 45	9628	11.2	19.1	8258	-1.3	25.3	24.4
16-24	2022	2.7	26.5	1786	0.9	20.1	22.4
25-34	4519	12.4	14.3	3868	-1.4	23.7	24.4
35-44	3087	15.7	21.9	2604	-2.7	31.7	25.7
45 and Over	3265	7.8	12.5	2666	-1.5	19.7	29.0
45-54	1900	8.6	14.0	1566	-0.8	20.6	27.3
55 and Over	1365	6.6	10.5	1100	-2.5	18.4	31.3
By Industry	33082	-14.2	30.8	30644	2.1	35.9	21.5
Ag., For., Fish.	267	-48.6	1.9	341	30.2	28.7	11.0
Mining	1292	172.0	9.6	982	-6.7	75.0	13.6
Construction	2407	-70.3	22.2	2528	15.3	18.2	9.8
Manufacturing	13733	1.8	97.4	12936	2.0	87.2	23.2
Pub. Utilities	1343	-27.4	19.0	1151	2.1	4.5	19.6
Wholesale Trade	2379	-11.8	38.2	2241	-3.1	24.8	25.2
Retail Trade	3655	-8.6	15.5	3443	3.8	21.2	22.2
Fin., Ins., Real Est.	916	-4.9	-5.2	924	1.3	-9.1	25.1
Services	6040	10.6	-13.6	5017	-2.9	2.6	24.8
Public Admin.	593	5.5	5.5	680	14.9	14.1	14.5
Inf. Not Available	457	4.8	14.8	401	2.8	-6.1	0.7
By Occupation	33082	-14.2	30.8	30644	2.1	35.9	21.5
Prof., Tech., Mgr.	6039	25.9	9.7	5554	0.5	31.4	26.6
Clerical	4252	12.5	14.4	3831	-2.0	17.4	26.7
Sales	1453	1.9	23.4	1448	0.1	27.2	25.8
Services	2295	-3.4	-5.9	2097	5.0	-2.9	21.2
Farm., For., Fish.	191	-59.1	-1.5	251	41.0	5.5	7.4
Processing	1490	-22.7	44.5	1705	-6.2	99.2	11.4
Machine Trade	2863	-3.2	83.6	2987	5.8	84.5	17.8
Benchwork	5170	14.8	120.6	4395	3.9	69.6	27.5
Structural Work	3869	-59.6	29.2	3885	11.7	25.6	13.0
Misc.	5203	-19.1	29.3	4319	-1.8	40.1	17.7
Inf. Not Available	257	-19.2	-17.6	172	-13.1	-38.4	18.8
By Duration	33082	-14.2	30.8	30644	2.1	35.9	
0-14 Weeks	26057	-5.3	29.6	24056	3.7	33.7	
15+ Weeks (Long-Term)	7025	-36.4	35.5	6588	-3.3	44.7	

Labor Market Conditions

MINNESOTA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT[1] (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS[2]					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Oct. 1985	Sept 1985	Oct 1984	Sept. 1985	Oct 1984	Oct. 1985	Sept 1985	Oct 1985	Sept 1985	Oct. 1985	Sept. 1985
Total Nonagricultural	1911.8	1907.4	1883.1	0.2	1.5						
Manufacturing	374.9	382.4	381.9	-2.1	-1.8	409.05	406.62	10.15	10.04	40.3	40.5
Durable Goods	224.3	226.9	230.8	-1.2	-2.8	422.82	422.28	10.44	10.35	40.5	40.8
Lumber and Furniture	17.5	18.3	17.1	-4.2	2.7	412.44	449.35	10.63	10.75	38.8	41.8
Stone, Clay and Glass	8.3	8.5	9.4	-2.8	-11.8	397.66	404.53	10.52	10.48	37.8	38.6
Primary Metals	5.6	5.8	6.2	-3.8	-10.1	354.56	348.77	9.38	9.13	37.8	38.2
Fabricated Metals	35.2	35.3	35.6	-0.4	-1.3	459.31	467.41	11.23	11.29	40.9	41.4
Nonelectrical Machinery	91.4	92.0	94.1	-0.7	-2.9	457.88	442.54	11.06	10.90	41.4	40.6
Office and Computing	47.5	47.6	49.6	-0.2	-4.3	532.40	494.77	12.10	11.98	44.0	41.3
Electrical Machinery	27.4	27.5	28.5	-0.4	-3.9	328.32	324.42	8.27	8.05	39.7	40.3
Transportation Equipment	6.4	6.7	6.8	-4.5	-5.9	497.62	500.32	11.82	11.80	42.1	42.4
Scientific Instruments	27.1	27.3	27.7	-0.8	-2.4	423.07	415.75	10.17	9.97	41.6	41.7
Miscellaneous Manufacturing	5.5	5.5	5.4	0.0	1.6	354.00	368.23	8.85	9.16	40.0	40.2
Nondurable Goods	150.6	155.9	151.1	-3.4	-0.3	390.40	386.56	9.76	9.64	40.0	40.1
Food and Kindred	46.0	51.4	47.4	-10.4	-2.9	346.09	333.20	8.26	7.84	41.9	42.5
Textiles and Apparel	4.5	4.6	5.3	-2.1	-13.7	236.84	230.02	6.12	5.99	38.7	38.4
Paper and Allied	33.5	33.7	34.2	-0.7	-2.0	494.56	498.80	11.86	11.82	41.7	42.2
Printing and Publishing	42.7	42.5	40.6	0.6	5.3	397.36	404.06	10.54	10.98	37.7	36.8
Chemicals and Petroleum	10.2	10.2	10.0	0.0	2.1	451.67	454.99	11.32	11.29	39.9	40.3
Rubber, Plastic and Leather	13.6	13.5	13.6	0.7	-0.3	317.34	316.48	8.44	8.60	37.6	36.8
Nonmanufacturing											
Mining	9.2	9.4	10.4	-1.9	-11.7	474.39	482.69	12.55	12.57	37.8	38.4
Metal Mining	6.6	6.8	8.1	-1.7	-17.7	488.96	491.32	13.62	13.61	35.9	36.1
Construction	84.3	85.9	81.5	-1.9	3.4	601.77	629.57	15.43	15.70	39.0	40.1
Transport., Comm., & Pub. Util	101.0	100.8	99.1	0.2	1.9						
Transportation	66.4	65.9	63.9	0.7	3.8						
Trucking and Warehousing	27.0	27.1	26.3	-0.5	2.7	391.88	385.44	11.56	11.54	33.9	33.4
Communication and Public Util	34.7	34.9	35.2	-0.6	-1.5	542.08	552.75	13.62	13.75	39.8	40.2
Trade	480.6	482.7	474.6	-0.4	1.3	227.97	231.65	7.65	7.62	29.8	30.4
Wholesale	120.1	120.1	119.3	0.0	0.7	384.18	393.09	10.11	10.21	38.0	38.5
Retail	360.5	362.7	355.3	-0.6	1.5	182.76	186.02	6.67	6.62	27.4	28.1
Building Materials	18.5	18.7	18.3	-1.4	0.9	313.65	320.89	8.50	8.58	36.9	37.4
General Merchandise	52.0	49.9	51.9	4.2	0.2	172.26	175.34	6.31	6.24	27.3	28.1
Food Stores	47.6	48.0	47.0	-0.7	1.3	196.42	196.14	6.99	7.03	28.1	27.9
Automotive	39.4	39.6	37.1	-0.4	6.4	355.10	365.25	9.52	9.74	37.3	37.5
Apparel	17.5	17.4	17.4	0.7	0.4	129.50	129.98	5.18	5.22	25.0	24.9
Home Furnishings	14.0	13.7	12.7	1.9	10.2	221.31	244.83	7.28	7.58	30.4	32.3
Eating and Drinking	123.3	127.5	122.5	-3.3	0.7	101.81	105.11	4.67	4.55	21.8	23.1
Fin., Insur., Real Est.	110.9	111.2	106.9	-0.2	3.8						
Finance	51.8	51.6	49.8	0.5	4.1						
Insurance	40.5	40.7	38.8	-0.5	4.4						
Real Estate	18.6	18.9	18.3	-1.3	1.8						
Services	446.6	447.5	430.5	-0.2	3.7						
Personal Services	22.1	21.2	20.2	4.1	9.1						
Business Services	83.0	83.6	78.1	-0.8	6.2						
Repair Services	20.2	20.0	19.4	1.0	4.1						
Health Services	138.3	138.7	136.4	-0.3	1.4						
Hospitals	48.1	48.4	49.4	-0.6	-2.8						
Nursing Homes	39.7	40.0	39.1	-0.7	1.6						
Legal Services	12.6	12.5	11.6	0.5	8.0						
Private Education	25.8	22.8	24.6	13.1	4.5						
Government	304.2	287.0	298.1	6.0	2.0						
Federal	31.5	31.7	30.6	-0.6	3.0						
State	76.8	71.4	75.9	7.6	1.1						
Education	42.5	34.8	41.3	22.0	2.9						
Local	195.9	183.9	191.6	6.5	2.2						
Education	103.7	90.7	101.5	14.3	2.1						

[1] Totals may not add because of rounding.

[2] Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

National Economic Activity
Spending, Output, Income, and Prices

The overall level and composition of National Output shape labor market conditions, and nominal and real earnings. (Nominal values are not adjusted for inflation; real values are adjusted for inflation.) Personal Consumption Expenditures, especially on Durable Goods, together with data on Retail Sales, are frequently used as indicators of future levels of employment. The number of Building Permits influences the level of employment in construction and related industries. The Federal Budget Deficit is a key indicator of the stimulatory effect of government policy. Whether this effect results in inflation, improved employment conditions, or some combination of the two, depends in part, upon the degree to which present productive capacity is utilized. Present and anticipated Money and Credit Conditions determine the ability of consumers, business, and State and Local governments to borrow in order to finance purchases, which, in turn, generate income and employment.

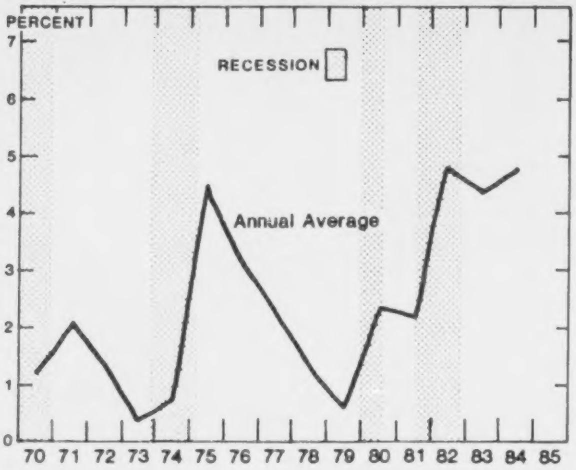
Spending, Output, Income, and Prices	United States		
	III QTR. 1985	Percent Change from	
		Last Qtr.	Year Ago
Spending and Output			
Gross National Product (in Billions of 1972 Dollars)	1684.8	0.8	2.4
Personal Consumption Expenditures	1115.2	1.2	4.6
Durable Goods	199.2	4.8	12.5
Nondurable Goods	403.9	0.2	2.1
Services	512.1	0.7	3.8
Gross Private Domestic Investment	278.1	-3.9	-7.4
Nonresidential, Fixed	217.7	-1.2	3.9
Residential, Fixed	62.5	2.6	4.0
Net Exports	-34.0	#	#
Government Purchases	325.5	3.8	6.3
Federal	139.4	7.5	11.5
State and Local	186.1	1.2	2.8
Current Federal Budget Surplus (Deficit)1/	-201.0	-214.1	-180.6
Current Federal Budget Surplus (Deficit) as % of GNP	-5.1	-5.6	-4.9
Retail Sales (in millions of dollars)	117228	2.4	8.8
Industrial Production (Base Year - 1977)	124.5	0.2	1.0
Housing Starts (Annualized in Thousands)	1664	-6.1	0.1
Plant Utilization Rates	80.1	-0.3	-1.8
New Orders - Durable Goods (in millions of dollars)	105936	2.7	5.2
Income and Credit			
Total Personal Income (in billions of dollars)	3199.2	0.8	5.0
Total Disposable Personal Income (in billions of dollars)	2712.6	-0.5	4.1
Per Capita Personal Income			
Current Dollars	13385	0.5	4.1
1972 Dollars	4186	-0.1	0.9
Median Family Income - Family of Four (in dollars)	34543	0.5	3.9
Poverty Threshold for Family of Four (in dollars)	10650	---	4.4
Average Weekly Earnings of Production Workers in Mfg.	385.11	0.6	3.5
Money and Credit			
Money Supply (M2) (in billions of dollars)	2510.8	2.5	9.5
Federal Reserve Discount Rate	7.50	-3.5	-16.7
Prime Rate Charged by Banks	9.50	-6.9	-26.9
Consumer Installment Credit as % of Disp. Pers. Income	18.9	5.8	14.8
Prices			
Consumer Price Index (All Urban Consumers)	323.6	0.7	3.4
Food	301.8	0.2	1.9
Housing	352.8	1.3	3.9
Apparel	205.9	0.3	2.8
Transportation	320.7	-0.1	2.4
Medical Care	406.3	1.7	6.4
Personal Care	283.2	0.9	3.9
Producer Price Index	307.3	-0.7	-1.1
Finished Goods	291.2	-0.2	0.3
Raw Materials	296.5	-2.8	-9.8

# Percent change not applicable

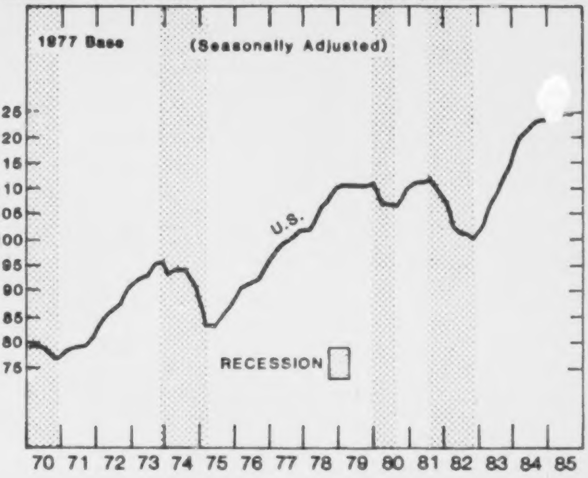
1/ Represents values - not percent change.

Output, Expenditures, Money, & Credit Conditions

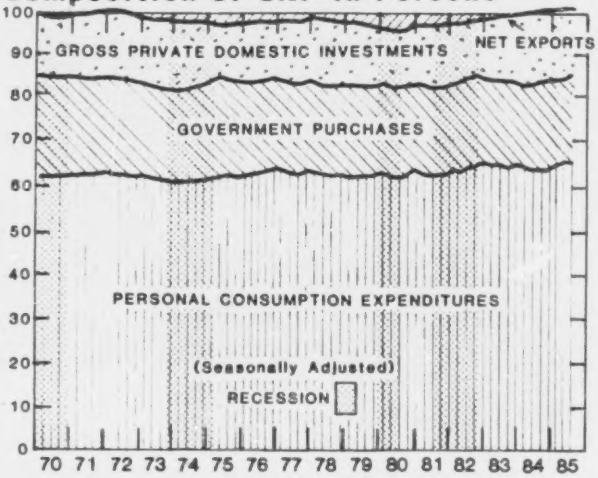
Federal Deficit as % of GNP (Current Dollars)



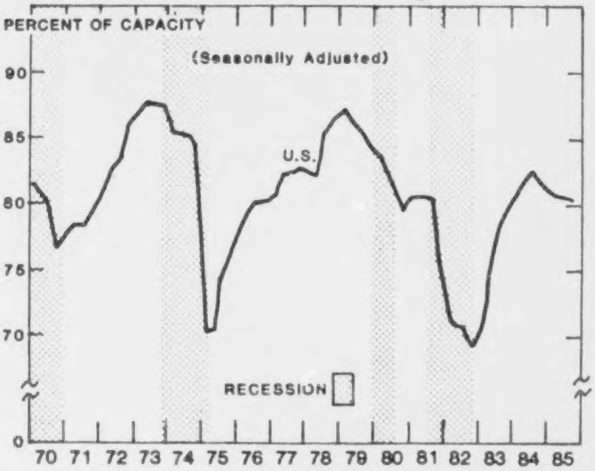
Index of Industrial Production



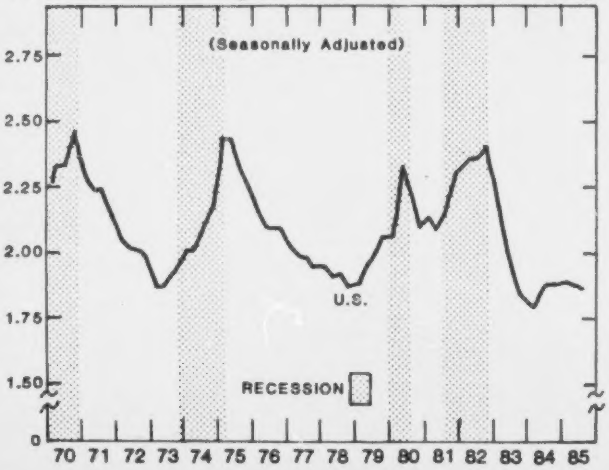
Composition of GNP in Percent



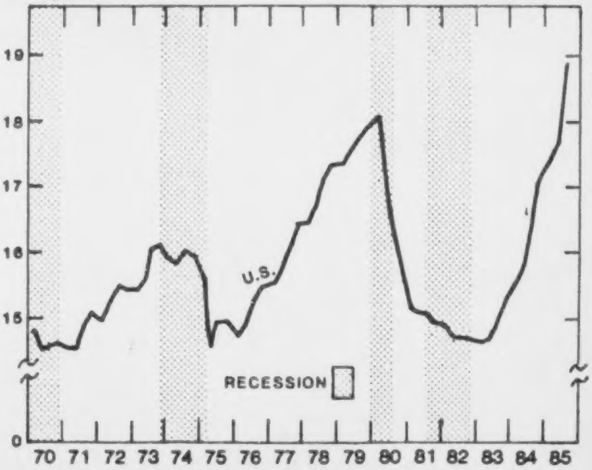
Plant Utilization Rates, Mfg.



Ratio, Inventory to Sales, Durable Mfg.

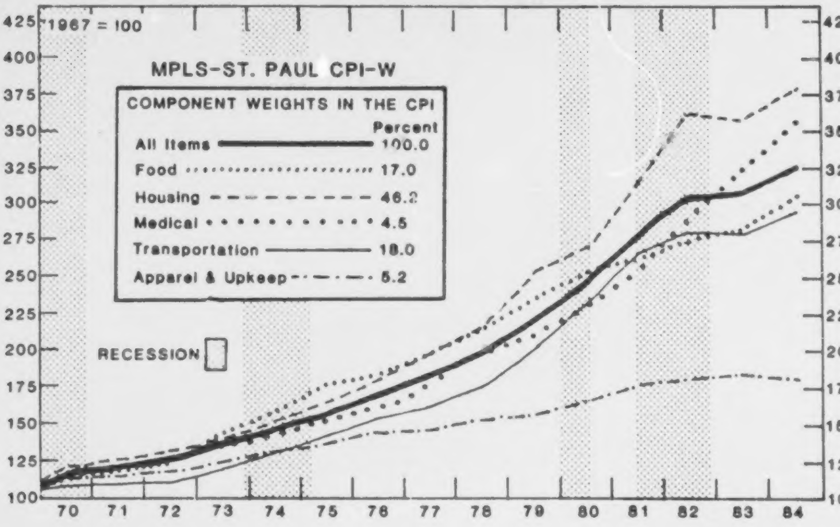


Ratio, Consumer Installment Debt to Disposable Personal Income, U.S.

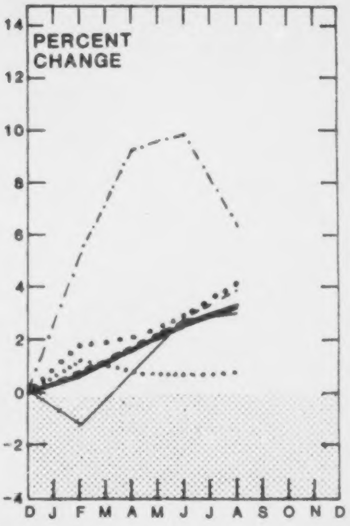


Income & Purchasing Power

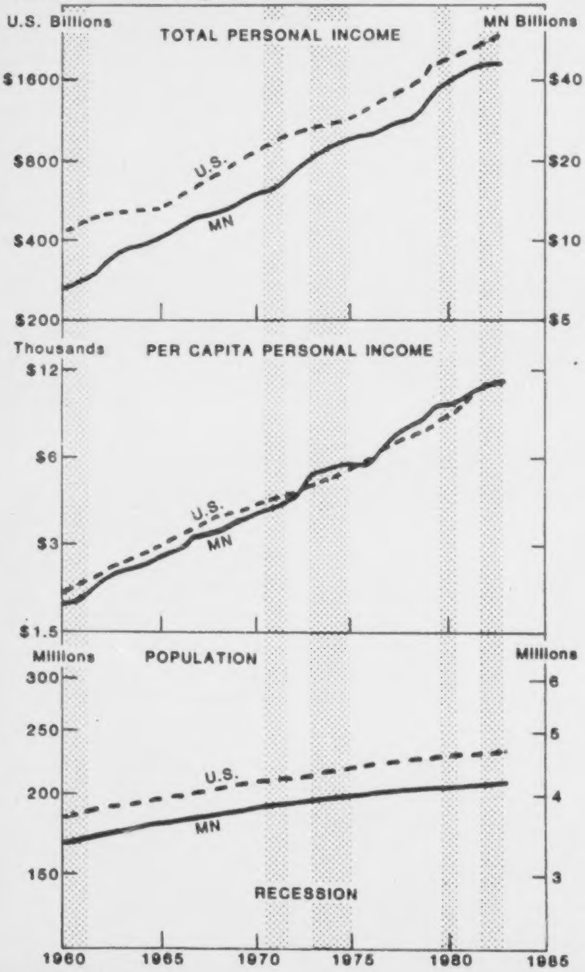
Consumer Price Index—Major Components



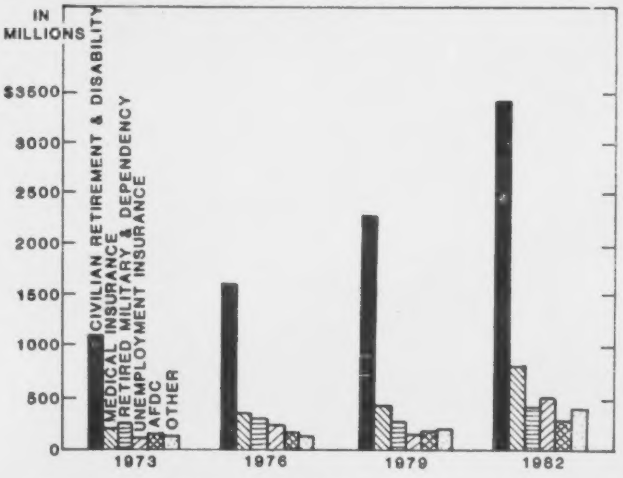
% Δ From Dec. 1984



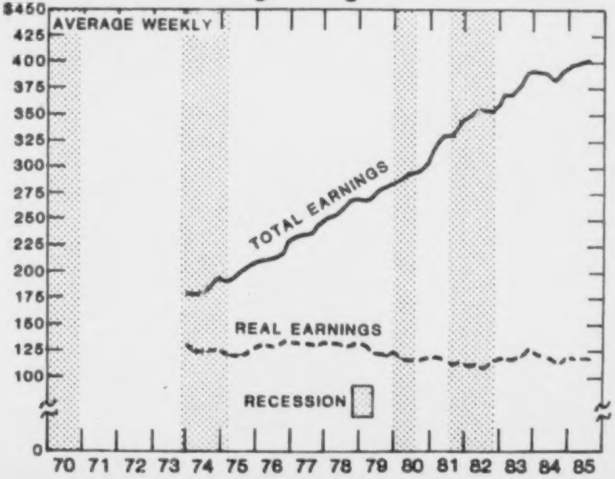
U.S. & MN Personal Income and Population



Government Transfer Payments To Individuals In Minnesota *(Selected Years)*



Minnesota Earnings, Mfg.



Minnesota Income Support and Employment Assistance Data

Presented below is data on income support and employment assistance programs provided to unemployed Minnesotans. Usually, the number of individuals receiving payments or employment and training assistance is the average of the three months in the quarter. In most programs there are eligibility requirements which must be met. In the table below, comparative data from a quarter ago and a year ago is presented. Because of seasonal swings in economic activity, quarter to quarter comparisons of program data can vary significantly. Year ago comparisons give a better indication of trends in the economy.

	Number of Persons			Amount Paid (Thousands)		
	III Qtr. 1985	Last Quarter	Last Year	III Qtr. 1985	Last Quarter	Last Year
Unemployment Insurance						
Total State	37,413	52,054	31,183	$16,971.1	$24,795.2	$13,341.0
Northeast	4,986	5,912	4,382	2,197.3	2,885.0	1,778.8
Northwest	3,887	7,253	3,665	1,607.7	3,129.7	1,495.1
Central	3,880	6,868	3,087	1,666.3	3,109.4	1,271.3
Metropolitan	17,361	21,029	14,211	8,626.9	10,963.3	6,576.4
Southern	7,300	10,991	5,837	2,872.9	4,707.7	2,209.5
General Assistance						
Total State	INA	40,339	28,412	INA	$8,148.4	$5,965.8
Northeast		6,853	5,770		1,283.1	1,211.0
Northwest		4,538	2,736		793.7	485.5
Central		2,500	1,507		453.5	296.3
Metropolitan		22,097	15,577		4,786.2	3,400.8
Southern		4,351	2,822		831.1	572.3
Job Service						
Individuals served	107,962	163,790	103,680			
Individuals placed	11,361	4,985	13,466			
Vocational Rehabilitation						
Active Caseload	15,661	15,707	14,686			
Percent Severely Disabled	54.9	55.6	56.2			
Closed-Employed	504	367	492			
Job Training Partnership Act (Title IIA)						
Participants	INA	13,392	9,503			
Entered Employment	INA	3,471	1,945			
Trade Adjustment Assistance (TRA)						
Individuals Entitled to Basic TRA	32	7	16			
Individuals Placed or Entered Training	5	11	32			
Targeted Jobs Tax Credit						
Individuals Vouchered	2,076	3,450	2,230			
Individuals Certified	1,367	1,364	1,431			
Food Stamp Program						
Registrations	2,428	1,557	2,161			
Individuals Entered Employment	155	162	182			
Work Incentive Program						
Registrants On-Board	25,913	25,237	25,155			
Individuals Entered Employment	481	508	INA			
MEED						
Individuals On-Board	4,905	5,941	7,315			
Left Program with Unsubsidized Job	514	637	776			

Available Publications

Write to: Director, Research and Statistics Office (See inside cover for address)

Review of Labor and Economic Conditions and its Monthly Supplement (Recent Issues)

Minnesota Employment Outlook to 1990 (February 1985)

Labor Market Information Summary for 1985 for Minneapolis-St. Paul SMSA (May 1984), St. Cloud SMSA (June 1984), Duluth SMSA (September 1984), and Minnesota (April 1984)

Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings, January 1950 December 1984 (April 1985)

Employment, Hours, and Earnings, 1950-1985, Minneapolis-St.Paul Area (April 1985)

Important Minnesota Occupations by Industry (August 1984)

1982 Occupational Employment Statistics in Minnesota (April 1984)

1983 Occupational Employment Statistics in Minnesota (December 1984)

1985 Minnesota Salary Survey by Area (July 1985)

1985 Minnesota Hospitals and Nursing Homes Salary Survey (August 1985)

1985 Minnesota Wage Data by Industry and Size of Firm (September 1985)

Minnesota Labor Market Information Directory (June 1984)

Minnesota Employment and Wage Data by County (First Quarter 1985) Limited number available for 1975-1983

Average Covered Employment & Wages by Economic Region for the Calendar Year 1984 by Two Digits of Industry (also available for 1976-1983)

Unemployment Compensation Program Statistics: Total Wages, Taxable Wages, Contributions Due, and Benefits Paid, 1950-1978

Cyclical Sensitivity in Minnesota (August 1981)

THE JOB MARKET (Continued from page 5)

Table 1 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and managerial jobs are least likely to use the J.S., whereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 1 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 1. Experienced Supply/Job Openings Demand[1]

Occupation	Applicants (Supply) Oct, 1985	Job Openings (Demand) Oct, 1985	Supply/Demand Ratio	
			Oct, 1985	Oct, 1984
Total	107,803	16,550	6.5	5.7
Prof., Tech., Mgr.	14,414	1,766	8.2	8.0
Clerical	19,285	3,066	6.3	5.3
Sales	5,831	2,167	2.7	2.6
Dom. Services	1,614	161	10.0	9.6
Other Services	17,022	4,518	3.8	3.7
Farm., Fish., For.	2,192	379	5.8	6.8
Processing	2,157	1,087	2.0	2.5
Machine Trades	7,315	661	11.1	7.9
Benchwork	8,208	597	13.7	7.7
Structural Work	12,581	780	16.1	11.1
Mtr. Frght., Trans.	4,332	696	6.2	5.4
Pkg. & Mat. Hndlg.	11,784	580	20.3	10.7
Other	1,068	92	11.6	11.4

[1] Inexperienced and improperly coded job applicants are not included in this table.

CURRENT MINNESOTA LABOR MARKET CONDITIONS

October, 1985 Supplement to The Review of Labor and Economic Conditions
Prepared by the Research and Statistics Office, MN Dept. of Jobs and Training, 390 N. Robert St., St. Paul, MN 55101, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, and Employment and Training Admin.

Nation

Although sales and spending were still robust in September, the Nation's economy was less buoyant in September as employment, production and income were rather sluggish. Most economists expect modest growth during the remainder of the year.

Labor market conditions deteriorated somewhat in September as unemployment rose and nonfarm payroll employment showed relatively little growth. The seasonally adjusted unemployment rate rose 0.1 of a percentage point to 7.1 percent after a drop of 0.3 of a point in August. Although seasonally adjusted total employment climbed by 370,000 in September, adjusted payroll employment increased by only 128,000 after gains averaging 237,000 in the first eight months of the year. The principal cause of the slower growth in payroll employment was that the slide in manufacturing employment which appeared to end in August resumed in September. Employment in manufacturing fell by 111,000 in September and has declined by 337,,000 since last December.

Except for retail sales and personal consumption expenditures which rose strongly in September as a result of the auto sales incentives, other indicators suggested sluggishness in the economy. Industrial production declined slightly in September while personal income rose very modestly. Although most economists believe that the sharp drop in housing starts in September was a statistical aberration, some feel that the decline in mortgage rates is being offset by a shift to fixed-rate mortgages, tighter credit standards and satisfied demand among younger buyers.

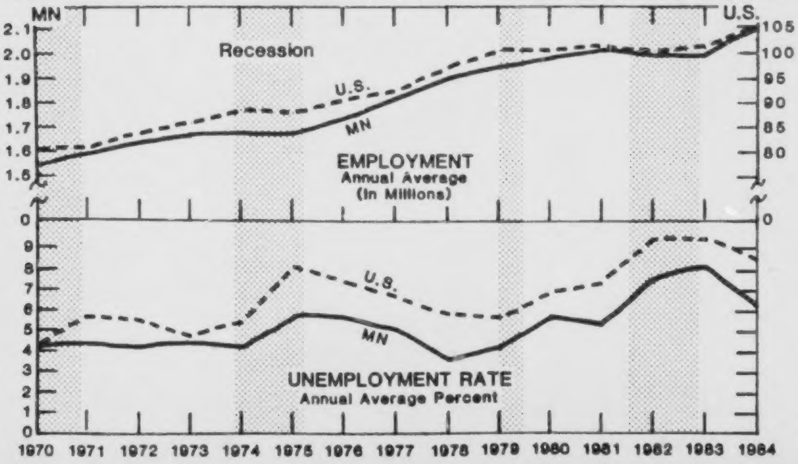
State

The Minnesota economy was still sluggish in September as the unemployment rate rose significantly and total employment fell rather sharply. However, nonfarm wage and salary employment climbed modestly in September.

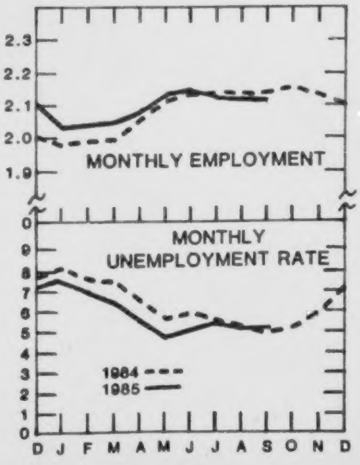
The State's seasonally adjusted unemployment rate increased for the fourth straight month in September, rising by 0.4 of a percentage point to 6.2 percent, the highest since January's 6.4 percent and a little above the year ago rate of 6.0 percent. Also, seasonally adjusted total employment fell for the second consecutive month in September, dropping by 8,500 to its lowest level since June 1984. The moderate gain of 2,700 in seasonally adjusted nonfarm payroll employment was the result of large increases in services and government employment offsetting substantial declines in manufacturing and trade. The very large gain in government employment was due to a rebound in local education employment which had dropped sharply and unexpectedly in August. Employment in business services and other medical services accounted for most of the gain in the services sector in September. Except for the resumption of decline in the computer industry and the strike reduced employment in the meat industry, employment in manufacturing would have shown little change in September. The drop in retail trade employment was primarily due to large declines in employment in general merchandise stores and eating and drinking places which may be temporary. Meanwhile, employment in construction was unchanged in September and was below the recent peak in March.

Labor Force Estimates	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	September 1985	Change From Last Mo.	Change From Year Ago	September 1985	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2230.1	-7.6	-26.2	115.9	-0.8	2.0
Employed	2115.2	-7.9	-28.6	107.9	-0.7	2.1
Unemployed	114.9	0.3	2.4	8.0	-0.1	-0.1
Unemployment Rate						
Actual	5.2	0.1	0.2	6.9	0.0	-0.2
Seasonally Adjusted	6.2	0.4	0.2	7.1	0.1	-0.3

MN and the U.S., Employment & Unemployment Rate



MN, 1984 and 1985



Labor Market Conditions

Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings

Industry	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Sep. 1985	Aug. 1985	Sep. 1984	Aug. 1985	Sep. 1984	Sep. 1985	Aug. 1985	Sep. 1985	Aug. 1985	Sep. 1985	Aug. 1985
Total Nonagricultural	1907.0	1891.2	1868.1	0.8	2.1						
Manufacturing	383.7	386.1	388.5	-0.6	-1.2	406.91	401.28	10.02	9.99	40.6	40.2
Durable Goods	227.7	228.3	231.6	-0.3	-1.7	423.20	419.89	10.31	10.29	41.0	40.8
Furniture, Lumber and Wood	18.4	18.6	17.3	-1.2	6.5	460.10	457.02	10.86	10.79	42.4	42.4
Stone, Clay and Glass	8.5	8.5	9.4	-0.5	-9.8	393.12	397.55	10.40	10.38	37.8	38.3
Primary Metals	5.8	6.0	6.3	-2.5	-8.1	349.65	348.00	9.25	9.11	37.8	38.2
Fabricated Metals	35.4	35.4	35.7	0.1	-0.7	472.46	461.03	11.33	11.19	41.7	41.2
Nonelectrical Machinery	92.6	93.2	93.8	-0.7	-1.3	443.88	440.39	10.78	10.79	41.2	40.8
Electrical Machinery	27.6	27.4	28.9	0.5	-4.4	325.38	315.26	8.05	7.95	40.4	39.7
Transportation Equipment	6.6	6.7	7.2	-1.5	-8.6	492.96	509.44	11.85	11.82	41.6	43.1
Other Durable Goods2/	32.8	32.5	33.1	0.9	-0.9	400.63	403.85	9.68	9.84	41.4	41.1
Nondurable Goods	156.0	157.8	156.8	-1.1	-0.5	386.34	378.09	9.64	9.60	40.1	39.4
Food and Kindred	51.4	52.9	53.3	-2.7	-3.6	337.80	323.25	8.02	7.93	42.1	41.5
Textile and Apparel	4.7	4.7	5.3	0.1	-12.0	229.65	227.55	5.88	5.85	39.0	38.9
Paper and Allied	33.7	34.2	34.4	-1.4	-1.9	504.17	497.60	11.95	11.83	42.2	42.1
Printing and Publishing	42.6	42.5	40.3	0.2	5.8	396.06	378.99	10.86	10.72	36.5	35.3
Chemical and Petroleum	10.1	10.1	10.0	0.0	1.8	449.38	445.16	11.24	11.29	40.9	39.4
Rubber and Leather	13.5	13.4	13.6	0.6	-0.7	319.70	314.13	8.48	8.49	37.7	37.0
Nonmanufacturing	1523.3	1505.1	1479.6	1.2	3.0						
Mining and Quarrying	9.4	9.5	9.3	-1.0	0.6	497.79	476.99	12.60	12.66	39.5	37.7
Metal Mining	6.8	6.8	6.9	-0.8	-1.5	503.57	504.90	13.61	13.72	37.0	36.8
Construction	85.3	86.0	81.3	-0.8	5.0	609.79	572.37	15.43	15.37	39.5	37.2
Building	22.4	22.4	21.6	0.1	3.6	561.59	531.07	14.74	14.63	38.1	36.3
Highway and Heavy	17.5	17.9	16.3	-2.2	7.7	595.30	543.10	14.04	13.68	42.4	39.7
Special Trades	45.4	45.7	43.4	-0.7	4.7	642.10	606.46	16.38	16.48	39.2	36.8
Transportation	66.0	63.8	62.9	3.5	5.0						
Railroads	9.8	9.7	10.3	1.1	-4.5						
Trucking and Warehousing	27.3	27.3	26.0	-0.2	5.0	386.20	367.55	11.46	11.45	33.7	32.1
Public Utilities	35.2	35.1	35.3	0.4	-0.4	545.97	537.85	13.58	13.56	40.2	39.7
Communications	20.3	20.3	20.4	0.1	-0.4	499.75	500.29	12.62	12.73	39.6	39.3
Elec., Gas and Sanitary	14.9	14.8	14.9	0.7	-0.5	600.82	581.45	14.69	14.50	40.9	40.1
Trade	483.3	482.9	473.7	0.1	2.0	230.54	229.19	7.60	7.55	30.3	30.4
Retail	363.3	362.8	354.3	0.1	2.6	185.53	184.21	6.61	6.57	28.1	28.1
General Merchandise	50.2	49.8	49.2	0.9	2.1	173.94	175.60	6.19	6.14	28.1	28.6
Food Stores	47.6	47.8	47.7	-0.4	-0.1	197.40	199.79	7.00	7.01	28.2	28.5
Automotive	39.6	39.5	37.2	0.3	6.4	375.78	350.18	9.71	9.49	38.7	36.9
Eating and Drinking	127.7	128.2	124.0	-0.4	3.0	102.38	103.74	4.55	4.57	22.5	22.7
Wholesale	119.9	120.1	119.5	-0.1	0.4	388.75	388.08	10.15	10.08	38.3	38.5
F.I.R.E.	111.1	111.7	107.1	-0.5	3.7						
Finance	51.5	51.9	50.1	-0.7	2.9						
Insurance	40.5	40.4	38.6	0.2	4.8						
Real Estate	19.1	19.4	18.5	-1.7	3.6						
Service	446.8	443.8	428.3	0.7	4.3						
Hotel and Lodging	24.6	26.0	23.4	-5.4	5.1						
Business Services	84.0	83.6	76.8	0.4	9.3						
Health Services	138.6	138.7	136.4	-0.1	1.6						
Private Education	22.2	17.9	21.8	24.0	1.7						
Soc., Serv., Museums etc.	93.9	93.4	91.0	0.5	3.1						
Government	286.3	272.4	281.7	5.1	1.6						
Federal	32.1	32.0	31.0	0.4	3.5						
State	70.3	64.9	69.6	8.3	0.9						
Local	183.9	175.5	181.1	4.8	1.5						

1/ Totals may not add because of rounding.

2/ Includes Scientific Instruments and Miscellaneous Industries.

Labor Market Conditions

Labor Force Data: State, MSAs, and Counties

Area or County	September 1985 Prelim.			
			Unemp. Rate	
	Labor 1/ Force	Unemp.		Year Ago
State of Minnesota	2330088	114912	5.2	5.0
Metropolitan Areas				
Duluth/Superior MSA	100990	9107	9.0	11.3
St. Louis County	83961	7703	9.2	12.3
City of Duluth	33448	2059	6.2	6.7
Douglas County (Wisc.)	17029	1404	8.2	5.5
Fargo/Moorhead MSA	78785	2604	3.3	2.5
Cass County (N. Dakota)	50844	1588	3.1	2.3
Clay County	27941	1024	3.7	2.9
Mpls./St. Paul-MN-WI MSA	1265511	56267	4.4	4.0
Anoka County	118458	5857	4.9	4.2
Carver County	22002	849	3.9	3.0
Chisago County	15522	730	4.7	4.2
Dakota County	117975	5055	4.3	3.8
Hennepin County	552980	24495	4.4	4.1
City of Bloomington	48222	2213	4.6	4.1
City of Minneapolis	213630	10080	4.7	4.6
Isanti County	14020	799	5.7	4.2
Ramsey County	269326	12073	4.5	4.2
City of St. Paul	156996	7877	5.0	4.7
St. Croix County (Wisc.)	25550	1260	4.9	3.8
Scott County	26466	1220	4.6	3.5
Washington County	68161	2387	3.5	3.4
Wright County	35051	1542	4.4	3.6
Rochester MSA-Olmsted Cty.	62621	2287	3.7	3.6
St. Cloud MSA	80126	4850	6.1	6.5
Benton County	12473	832	6.7	6.9
Sherburne County	15214	1033	6.8	6.0
Stearns County	52439	2985	5.7	6.5
Counties				
Aitkin	5362	571	10.6	10.8
Becker	12453	861	6.9	8.7
Beltrami	16364	969	5.9	6.7
Big Stone	3983	173	4.3	4.9
Blue Earth	27637	1142	4.1	3.6
Brown	15112	681	4.5	4.7
Carlton	11186	1335	11.9	8.2
Cass	10869	738	6.8	7.2
Chippewa	7576	418	5.5	5.0
Clearwater	3953	429	10.9	13.0
Cook	2342	157	6.7	6.9
Cottonwood	7558	484	6.4	4.5
Crow Wing	18334	1269	6.9	7.2
Dodge	8903	552	6.2	6.1
Douglas	14202	786	5.5	5.2
Faribault	11537	512	4.4	3.4
Fillmore	12845	673	5.2	5.1
Freeborn	18185	980	5.4	5.9
Goodhue	20631	1064	5.2	5.0
Grant	3491	136	3.9	4.0
Houston	10533	468	4.4	3.7
Hubbard	5688	438	7.7	7.8
Itasca	16255	1792	11.0	9.1
Jackson	8699	532	6.1	3.7
Kanabec	5874	606	10.3	8.5
Kandiyohi	18697	902	4.8	4.5
Kittson	3345	181	5.4	6.4
Koochiching	7390	876	11.9	8.2
Lac Qui Parle	5739	249	4.3	5.1
Lake	4444	471	10.6	10.4
Lake of the Woods	2016	120	6.0	5.8
Le Sueur	13426	777	5.8	5.4
Lincoln	3869	170	4.4	4.2
Lyon	15473	697	4.5	3.8
McLeod	18484	782	4.2	4.4
Mahnomen	2783	210	7.5	8.2
Marshall	6131	474	7.7	8.5
Martin	14344	751	5.2	5.9
Meeker	11042	786	7.1	6.4
Mille Lacs	9252	616	6.7	6.5
Morrison	12860	992	7.7	7.8
Mower	18218	934	5.1	5.6
Murray	6145	325	5.3	6.1
Nicollet	14651	695	4.7	3.6
Nobles	11891	634	5.3	5.8
Norman	4759	203	4.3	4.2
Otter Tail	24789	1538	6.2	5.8
Pennington	6214	376	6.1	6.3
Pine	9800	792	8.1	7.1
Pipestone	5870	252	4.3	3.8
Polk	17477	1099	6.3	5.9
Pope	5736	326	5.7	5.0
Red Lake	2148	191	8.9	9.6
Redwood	11278	766	6.8	3.4
Renville	12197	877	7.2	6.1
Rice	23980	1348	5.6	5.6
Rock	5708	162	2.8	3.0
Roseau	6574	313	4.8	5.8
Sibley	8320	391	4.7	4.1
Steele	16901	870	5.1	6.2
Stevens	5756	206	3.6	3.7
Swift	6008	412	6.9	8.0
Todd	11508	692	6.0	5.9
Traverse	2838	100	3.5	3.5
Wabasha	10261	634	6.2	5.9
Wadena	5524	345	6.2	6.7
Waseca	10462	523	5.0	3.9
Watonwan	6649	322	4.8	4.9
Wilkin	4216	223	5.3	3.6
Winona	22990	1295	5.6	5.5
Yellow Medicine	7743	377	4.9	4.0

Technical Notes:

1/ Labor force data is computed according to BLS methodology. The method includes an adjustment to assure that the sum of the substate areas equals the separately estimated State total. This adjustment is applied to all county and MSA areas. County and area unemployment was multiplied by an adjustment factor of 1.45; employment was multiplied by .98. For a more detailed explanation see the Review of Labor and Economic Conditions, Vol. 4, No. 4, (February 1978 issue), p. 29.

Labor force is the sum of employment and unemployment; therefore, employment can be derived by subtracting unemployment from the labor force.

Selected Minnesota Program Statistics

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

The total number of claimants for unemployment benefits fell by 1,559 or 4.9 percent in September. September's decline in percentage terms was considerably less than the seven year average drop of 15.4 percent between August and September and resulted in a large seasonally adjusted over-the-month gain. The only industries to show an increase in claimants in September were manufacturing and finance, insurance and real estate. On a seasonally adjusted basis, claimants in manufacturing have increased in nine of the past thirteen months. Over-the-year, total claimants were up by 7,562 or 33.7 percent and have exceeded year earlier levels for ten consecutive months. Over four-fifths of the over-the-year gain in claimants took place in the manufacturing sector.

Table 1. Distribution of Insured Unemployed, by Age and Sex, September 1985

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	30001	63.1	100.0	100.0
Under 45	22845	63.4	76.5	75.6
Under 25	4602	61.5	15.0	16.0
25-34	11229	65.1	38.6	35.4
35-44	7014	61.8	22.9	24.2
45 and Over	7156	62.2	23.5	24.4
45-54	4073	61.3	13.2	14.3
55 and Over	3083	63.4	10.3	10.1

TABLE 2. Distribution of Insured Unemployed by Industry and Occupation, September 1985

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term1/ Unemployed	Women as Percent of Total
Total, All Industries	30001	100.0	22.7	36.9
Ag., For., Fish.	262	0.9	16.7	43.4
Mining	1053	3.5	1.8	6.1
Construction	2192	7.3	12.8	8.0
Manufacturing	12677	42.2	23.2	34.6
Public Utilities	1127	3.8	23.6	28.4
Wholesale Trade	2312	7.7	28.7	28.7
Retail Trade	3316	11.1	24.5	44.6
Finance, Insurance, Real Estate	912	3.0	30.0	56.8
Services	5168	17.2	26.6	56.0
Public Admin.	592	2.0	15.2	57.8
Info. Not Available	390	1.3	1.5	35.0
Total, All Occupations	30001	100.0	22.7	36.9
Prof., Tech., Mgr.	5527	18.4	27.5	41.2
Clerical	3911	13.0	27.9	79.7
Sales	1446	4.8	25.8	32.1
Services	1997	6.7	23.7	52.6
Farm., For., Fish.	178	0.6	14.8	20.7
Processing	1818	6.1	9.3	21.3
Machine Trades	2823	9.4	22.3	16.7
Benchwork	4229	14.1	25.6	55.1
Structural Work	3478	11.6	17.0	4.9
Miscellaneous	4396	14.6	18.4	15.9
Info. Not Available	198	0.7	16.7	52.8

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., wehereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand

Occupation	Applicants (Supply) Sept. 1985	Applicants (Demand) Sept. 1985	Supply/Demand Ratio	
			Sept. 1985	Sept. 1984
Total	91339	18077	5.1	4.2
Prof., Tech., Mgr.	13240	2029	6.5	6.2
Clerical	16003	3353	4.8	3.7
Sales	5211	1977	2.6	1.9
Domestic Services	1174	213	5.5	5.9
Other Services	12016	4929	2.4	2.3
Farm., Fish., For.	2994	390	7.7	12.1
Processing	1834	1693	1.1	1.7
Machine Trades	6485	569	11.4	6.1
Benchwork	6663	680	9.8	5.6
Structural Work	11500	842	13.7	9.0
Mtr. Frght., Trans.	3835	668	5.7	5.1
Pkg. & Mat. Hndlg.	9470	636	14.9	8.1
Other	914	98	9.3	13.4

1/ Inexperienced and improperly coded job applicants are not included in this table.

1/27/87 54205-1

CURRENT MINNESOTA LABOR MARKET CONDITIONS

December 1985 Supplement to the Review of Labor and Economic Conditions

Prepared by the Research and Statistics Office, MN Dept. of Jobs and Training, 390 N. Robert St., St. Paul, MN 55010, in cooperation with the U.S. Dept of Labor, Bureau of Labor Statistics, and Employment and Training Adm

Nation

Although the Nation's economy appeared to improve in November, the apparent strength in some of the numbers was the result of recoveries from declines in October. Because consumption has grown faster than income and comsumers are left with heavy debt and little savings, many economists expect sluggish growth to continue through the first half of 1986.

Developments in the labor market were somewhat mixed in November as the unemployment rate fell while both total and nonfarm payroll employment rose very slowly. The seasonally adjusted unemployment rate fell 0.1 of a point to 7.0 percent in November, the first decline since August. Meanwhile, seasonally adjusted total employment rose only 60,000 in November after considerably larger gains in earlier months. Also, adjusted payroll employment climbed a modest 182,000 following increases averaging 245,000 per month in the previous twelve months. The slower growth in payroll employment in November was partly due to a drop in retail trade and very little increase in construction. A bright spot was that factory employment rose for the second straight month in November suggesting that the long decline in manufacturing may have ended.

Other economic reports for November were suggestive of a slow growing economy. The gains in sales, production and consumption were rebounds from declines in October. Also, housing starts fell sharply in November. Moreover, the index of leading indicators rose only 0.1 percent after increases of 0.4 percent in both October and September.

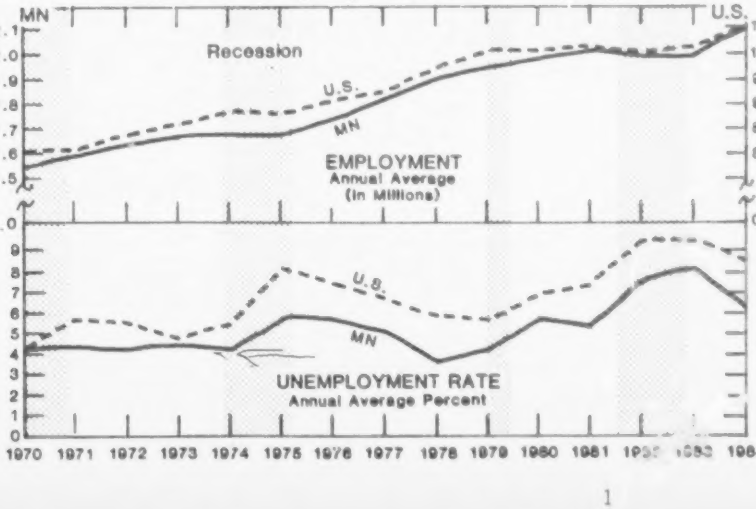
State

The Minnesota economy continued to show a mixture of trends as both employment and unemployment rose again in November. However, the size of the unemployment increase may have been overstated.

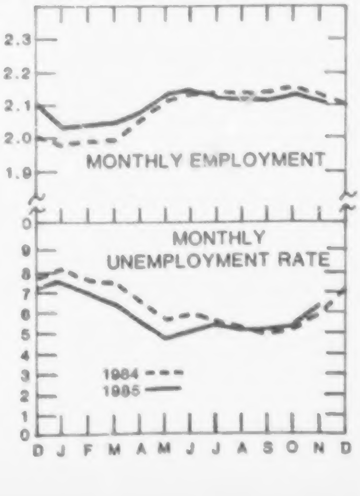
Minnesota's seasonally adjusted unemployment rate rose by a steep half a point to 6.8 percent in November, the sixth consecutive monthly rise and the highest rate since the 7.0 percent in January 1984. Although department analysts agree that unemployment has been on the rise since June when the rate was 5.0 percent, they believe that the magnitude of the increase has been exaggerated because of adjustments required by federal regulations. On the other hand, seasonally adjusted total employment climbed for the second month in a row, rising by 4,700 after a jump of 22,500 in October. Also, seasonally adjusted nonfarm payroll employment posted its largest gain since July, rising by 4,400. Most of the November increase in payroll jobs took place in the trade and services industries. Employment in manufacturing declined for the eighth time in the past eleven months while construction employment fell for the second month in a row in November. Over-the-year, payroll employment was up by 24,000 as increases of 14,000 in services, 6,800 in government and 5,400 in trade offset a large decline of 10,000 in manufacturing. Almost 85 percent of the over-the-year drop in manufacturing employment occurred in durable goods, particularly in computer manufacturing and in electrical machinery.

Labor Force Estimates	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	November 1985	Change From		November 1985	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2,248.6	1.8	-21.2	115.9	-0.8	2.0
Employed	2,105.0	-23.6	-27.9	107.9	-0.7	2.1
Unemployed	143.6	25.4	6.7	8.0	-0.1	-0.1
Unemployment Rate						
Actual	6.4	1.1	0.4	6.9	0.0	-0.2
Seasonally Adjusted	6.8	0.5	0.4	7.1	0.1	-0.3

MN and the U.S., Employment & Unemployment Rate



MN, 1984 and 1985



Labor Market Conditions

MINNESOTA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT[1] (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS[2]					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Nov. 1985	Oct. 1985	Nov. 1984	Oct. 1985	Nov. 1984	Nov. 1985	Oct. 1985	Nov. 1985	Oct. 1985	Nov. 1985	Oct. 1985
Total Nonagricultural	1,905.6	1,911.5	1,881.3	-0.3	1.3						
Manufacturing	370.4	375.2	380.4	-1.3	-2.6	404.15	404.40	10.18	10.11	39.7	40.0
Durable Goods	221.1	224.7	229.7	-1.6	-3.8	417.75	418.72	10.47	10.39	39.9	40.3
Lumber and Furniture	17.1	17.4	17.0	-1.6	0.5	415.42	413.01	10.79	10.59	38.5	39.0
Stone, Clay and Glass	8.0	8.3	9.1	-4.2	-12.2	398.70	401.10	10.41	10.50	38.3	38.2
Primary Metals	5.7	5.7	6.1	0.4	-7.1	364.45	353.08	9.18	9.10	39.7	38.8
Fabricated Metals	34.9	35.3	35.5	-1.2	-1.7	465.35	462.38	11.35	11.25	41.0	41.1
Nonelectrical Machinery	90.1	91.3	94.4	-1.3	-4.5	438.99	446.72	11.03	11.03	39.8	40.5
Office and Computing	46.8	47.5	49.6	-1.4	-5.7	483.14	502.53	11.90	12.08	40.6	41.6
Electrical Machinery	26.2	27.4	28.1	-4.3	-6.9	333.60	329.22	8.34	8.21	40.0	40.1
Transportation Equipment	6.4	6.4	6.3	-0.7	-3.4	518.15	501.48	12.05	11.94	43.0	42.0
Scientific Instruments	27.3	27.4	27.6	-0.3	-1.0	390.46	409.77	9.86	9.97	39.6	41.1
Miscellaneous Manufacturing	5.5	5.6	5.3	-1.6	2.8	375.97	364.97	9.17	9.17	41.0	39.8
Nondurable Goods	149.3	150.5	150.7	-0.8	-0.9	386.71	386.10	9.79	9.75	39.5	39.6
Food and Kindred	45.0	45.8	46.8	-1.8	-3.9	352.80	345.70	8.40	8.33	42.0	41.5
Textiles and Apparel	4.4	4.5	5.1	-2.9	-14.3	241.80	234.24	6.20	6.10	39.0	38.4
Paper and Allied	33.5	33.5	34.2	-0.1	-2.2	497.42	496.52	11.90	11.85	41.8	41.9
Printing and Publishing	42.9	42.8	40.7	0.2	5.4	372.24	381.55	10.34	10.34	36.0	36.9
Chemicals and Petroleum	10.2	10.2	10.0	-0.7	2.2	437.28	451.67	11.27	11.32	38.8	39.9
Rubber, Plastic and Leather	13.4	13.6	13.9	-1.5	-3.8	318.20	315.13	8.60	8.54	37.0	36.9
Nonmanufacturing	1,535.3	1,536.3	1,500.8	-0.1	2.3						
Mining	8.7	9.2	8.4	-5.8	2.9	486.07	476.02	12.56	12.56	38.7	37.9
Metal Mining	6.3	6.6	6.3	-4.8	1.0	502.69	488.96	13.66	13.62	36.8	35.9
Construction	78.9	84.1	78.1	-6.1	1.1	573.40	605.22	15.25	15.40	37.6	39.3
Transport., Comm., & Pub. Util	100.5	100.9	98.5	-0.4	2.1						
Transportation	65.9	66.3	63.4	-0.5	4.0						
Trucking and Warehousing	27.0	26.9	26.3	0.5	2.7	373.20	391.07	11.59	11.57	32.2	33.8
Communication and Public Util	34.6	34.7	35.1	-0.3	-1.4	547.07	553.60	13.78	13.84	39.7	40.0
Trade	483.4	480.4	478.1	0.6	1.1	227.50	228.60	7.66	7.62	29.7	30.0
Wholesale	119.9	120.3	118.7	-0.4	1.0	393.47	385.57	10.22	10.12	38.5	38.1
Retail	363.5	360.0	359.4	1.0	1.2	181.27	182.71	6.64	6.62	27.3	27.6
Building Materials	18.2	18.4	18.0	-1.1	1.4	306.31	314.02	8.58	8.51	35.7	36.9
General Merchandise	54.3	51.2	55.7	6.0	2.5	166.70	171.44	6.22	6.28	26.8	27.3
Food Stores	48.2	47.9	47.2	0.6	2.1	194.03	196.42	7.03	6.99	27.6	28.1
Automotive	39.3	39.4	37.0	-0.2	6.1	349.69	350.25	9.35	9.39	37.4	37.3
Apparel	17.7	17.5	17.9	1.1	-1.3	125.61	128.96	5.30	5.20	23.7	24.8
Home Furnishings	14.0	13.9	12.7	0.6	10.5	223.80	224.25	7.29	7.45	30.7	30.1
Eating and Drinking	122.7	123.5	121.6	-0.6	0.8	104.36	104.40	4.68	4.64	22.3	22.5
Fin., Insur., Real Est.	111.1	110.9	106.8	0.1	4.0						
Finance	52.0	51.7	49.7	0.5	4.6						
Insurance	40.7	40.6	39.0	0.4	4.3						
Real Estate	18.4	18.7	18.1	-1.4	1.7						
Services	444.2	446.3	429.8	-0.5	3.4						
Personal Services	22.0	21.9	19.9	0.6	10.9						
Business Services	83.1	83.0	79.0	0.2	5.2						
Repair Services	20.3	20.2	19.5	0.5	4.2						
Health Services	138.5	138.3	136.1	0.1	1.7						
Hospitals	48.2	48.1	48.9	0.2	-1.5						
Nursing Homes	39.8	39.7	39.1	0.4	1.7						
Legal Services	12.6	12.5	11.7	0.9	8.2						
Private Education	25.8	25.5	25.1	1.1	2.9						
Government	308.5	304.5	301.2	1.3	2.4						
Federal	31.5	31.5	30.9	0.3	2.2						
State	78.6	76.9	76.1	2.3	3.2						
Education	44.1	42.5	42.1	3.9	4.8						
Local	198.3	196.2	194.2	1.1	2.1						
Education	106.9	104.1	104.0	2.7	2.8						

[1] Totals may not add because of rounding.

[2] Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Selected Minnesota Program Statistics

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

Over-the-month, total claimants for unemployment benefits rose somewhat less in percentage terms than they usually do in November, increasing by 23 percent compared to an average rise of 28 percent in November over the past seven years. Sixty percent of the November numerical gain of 7,079 took place in the construction and manufacturing industries. Claimants in construction rose faster than normal in November while claimants in manufacturing climbed considerably slower than they usually do in November. Over-the-year, total claimants increased by 7,193 or 24 percent in November. Four-fifths of the over-the-year gain occurred in the manufacturing sector where claimants rose by a steep 68.4 percent.

Table 1. Distribution of Insured Unemployed, by Age and Sex, November 1985.

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	37,691	67.9	100.0	100.0
Under 45	28,921	68.6	77.6	74.8
Under 25	6,618	68.5	17.7	17.2
25-34	13,938	70.3	38.3	34.2
35-44	8,365	66.1	21.6	23.4
45 and Over	8,770	65.3	22.4	25.2
45-54	5,001	65.2	12.8	14.4
55 and Over	3,769	65.4	9.6	10.8

TABLE 2. Distribution of Insured Unemployed by Industry and Occupation, November 1985.

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term1/ Unemployed	Women as Percent of Total
Total, All Industries	37,691	100.0	17.6	32.1
Ag., For., Fish.	854	2.3	4.3	19.7
Mining	1,455	3.9	7.1	6.9
Construction	[illegible],457	14.5	4.2	5.2
Manufacturing	14,2[illegible]	37.9	[illegible].1	34.8
Public Utilities	1,360	[illegible]	1[illegible].6	24.4
Wholesale Trade	2,372	6.3	21.7	25.6
Retail Trade	3,805	10.1	20.1	42.0
Finance, Insurance, Real Estate	926	2.4	23.8	58.2
Services	5,711	15.1	21.4	52.0
Public Admin.	961	2.5	13.9	42.6
Info. Not Available	513	1.4	1.0	28.9
Total, All Occupations	37,691	100.0	17.6	32.1
Prof., Tech., Mgr.	5,489	14.5	28.2	37.6
Clerical	3,873	10.3	25.7	79.1
Sales	1,523	4.0	23.6	30.5
Services	2,626	7.0	15.6	57.8
Farm., For., Fish.	768	2.0	2.9	15.4
Processing	1,593	4.2	9.6	26.8
Machine Trades	3,226	8.6	20.1	15.4
Benchwork	5,617	14.9	21.9	52.4
Structural Work	7,087	18.8	7.1	3.9
Miscellaneous	5,716	15.2	12.9	11.9
Info. Not Available	173	0.5	17.1	42.9

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., wehereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand

Occupation	Applicants (Supply) Nov. 1985	Applicants (Demand) Nov. 1985	Supply/Demand Ratio	
			Nov. 1985	Nov. 1984
Total	102,562	15,117	6.8	6.3
Prof., Tech., Mgr.	13,428	1,660	8.1	9.1
Clerical	17,705	2,921	6.1	5.8
Sales	5,492	1,941	2.8	2.9
Domestic Services	1,521	148	10.3	9.8
Other Services	15,932	4,044	3.9	4.2
Farm., Fish., For.	2,060	354	5.8	8.5
Processing	2,042	783	2.6	2.0
Machine Trades	7,290	559	13.0	9.8
Benchwork	7,775	520	15.0	10.0
Structural Work	12,771	604	21.1	15.0
Mtr. Frght., Trans.	4,369	707	6.2	6.4
Pkg. & Mat. Hndlg.	11,137	787	14.2	8.0
Other	1,040	89	11.7	15.3

1/ Inexperienced and improperly coded job applicants are not included in this table.

Analysis of Local Conditions

CENTRAL AND NORTHWEST MINNESOTA

by Ron Daws

The unemployment rate for the St. Cloud MSA jumped to 8.6 percent in November, the highest since March, and half a percentage point higher than during November of 1984. In fact, since the 1960's, during only November 1983 was this month's unemployment rate higher (at 9.0 percent). But while the number of jobless was at a near record high, the number working was greater than ever before at this time of the year primarily because of a fairly strong ongoing growth in population and jobs.

The overwhelming reason for the surge in unemployment was a layoff at a large manufacturer of refrigeration equipment which shows up as a drop in durable goods manufacturing in the lower table below. Otherwise, from October to November 1985, employment in all industries remained virtually unchanged. Over the year, however, employment changes were mixed, with manufacturing -- especially durables--decreasing, and nonmanufacturing--mainly construction-increasing.

The relative jump in unemployment for November 1985 does not mark an economic downturn for the St. Cloud area, but rather some belt tightening in one industry that experienced reduced orders for their product. Overall, the unemployment rate has been lower during 1985 than in 1984.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Nov '85	Oct 1985	Nov. 1984	Nov. 1985	Oct. 1985	Nov 1984	Nov '85	Oct. '85	Nov '84
St. Cloud MSA 1/	82045	81149	81772	7082	5004	6605	8.6	6.2	8.1
REGION 1	43979	46943	47541	4047	2908	4514	9.3	6.2	9.5
Kittson	3309	3348	3443	285	191	288	8.6	5.7	8.4
Marshall	6098	6088	6440	734	464	773	12.0	7.6	12.0
Norman	4552	4642	4612	296	199	284	6.5	4.3	6.2
Pennington	6380	6287	6434	615	413	529	9.6	6.6	8.2
Polk	17093	17751	17931	1318	1087	1470	7.7	6.1	8.2
Red Lake	2208	2183	2225	333	218	299	15.1	10.0	13.4
Rosseau	6547	6644	6456	466	336	871	7.1	5.1	13.5
REGION 2	30879	30851	32170	3327	2386	3656	10.8	7.7	11.4
Beltrami	16730	16702	17156	1494	1066	1657	8.9	6.4	9.7
Clearwater	4000	3913	4152	714	443	746	17.9	11.3	18.0
Hubbard	5516	5580	5957	666	519	705	12.1	9.3	11.9
Lake of Woods	1951	1950	1947	166	138	201	8.5	7.1	10.3
Mahnomen	2682	2706	2958	287	220	346	10.7	8.1	11.7
REGION 4	101018	101746	102888	7338	5146	7409	7.3	5.1	7.2
Becker	12060	122122	12615	1119	903	1378	9.3	7.4	10.9
Clay	29081	28937	29000	1379	905	1260	4.7	3.1	4.3
Douglas	14144	11122	13971	1198	840	1059	8.5	5.9	7.6
Grant	3498	3529	3517	222	151	217	6.3	4.3	6.2
Otter Tail	23994	24484	25308	2143	1519	2291	8.9	6.2	9.1
Pope	5498	5577	5537	465	320	435	8.5	5.7	7.9
Stevens	5875	5942	5892	336	212	323	5.7	3.6	5.5
Traverse	2692	2787	2814	200	97	194	7.4	3.5	6.9
Wilkin	4176	4246	4234	276	199	252	6.6	4.7	6.0
REGION 5	57601	58096	58322	5885	4309	6190	10.2	7.4	10.6
Cass	10286	10354	10460	1164	840	1230	11.3	8.1	11.8
Crow Wing	17783	17943	17530	1831	1389	1840	10.3	7.7	10.5
Morrison	12903	12989	13217	1404	1020	1515	10.9	7.9	11.5
Todd	11158	11353	11530	965	713	1032	8.6	6.3	9.0
Wadena	5471	5452	5585	521	347	573	9.5	6.4	10.3
REGION 6E	58168	58977	58928	4581	3452	4183	7.9	5.9	7.1
Kandiyohi	18570	18824	18947	1131	974	1238	6.1	5.2	6.[illegible]
McLeod	17166	17055	17057	1442	840	1110	8.4	4.9	6.5
Meeker	10783	10938	11005	1040	805	860	9.6	7.4	7.8
Renville	11649	12160	11919	968	860	975	8.3	7.1	8.2
REGION 7E	54770	54614	55005	4424	3491	3961	8.1	6.4	7.2
Chiscago	15938	15792	15964	890	746	798	5.6	4.7	5.0
Isanti	14298	14185	14208	848	737	652	5.9	5.2	4.6
Kanabec	5726	5784	5734	730	547	672	12.7	9.5	11.7
Mille Lacs	9151	9170	9283	902	670	832	9.9	7.3	9.0
Pine	9657	9683	9816	1054	791	1007	10.9	8.2	10.3
REGION 7W	118408	116940	118061	9355	6711	8537	7.9	5.7	7.2
Benton	12787	12522	12762	1195	747	1138	9.3	6.0	8.9
Sherburne	15479	15559	15360	1357	1214	1200	8.8	7.8	7.8
Stearns	53779	53068	53650	4530	3043	4267	8.4	5.7	8.0
Wright	36363	35791	36289	2273	1707	1932	6.3	4.8	5.3

1/ Benton, Stearns, and Sherburne Counties

ST. CLOUD MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	Nov. 1985	Oct. 1985	Nov. 1984	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	62392	63148	61603	-1.2	1.3
Total Manufacturing	9571	10121	10263	-5.4	-6.7
Durable Goods	5045	5611	5570	-10.1	-9.4
Nondurable Goods	4526	4510	4693	0.4	-3.6
Total Nonmanufacturing	52821	53027	51340	-0.4	3.3
Construction	3480	3532	3039	-1.5	14.5
Transp., Comm. & Pub. Util.	4066	4066	3765	0.0	8.0
Wholesale Trade	3200	3222	3035	-0.7	5.4
Retail Trade	15187	15305	14803	-0.8	2.6
Finance, Insur. & Real Estate	2113	2108	2035	0.2	3.8
Service & Miscellaneous	12563	12604	12404	-0.3	1.3
Government	12212	12190	12259	-0.2	0.4

Analysis of Local Conditions

MINNEAPOLIS-ST. PAUL MSA

by Bruce Steuernagel

The unemployment rate in the Twin Cities area rose in November to 4.9 percent compared to 4.5 percent in October and 4.4 percent in November 1984. Typically the unemployment rate has edged upwards by an average of 0.2 percentage point between October and November as seasonal construction activity slows. This year the area experienced earlier than usual cold and snow during early November which caused greater than usual increase in construction related unemployment. Cutbacks continue to occur in the manufacturing sector.

Compared to a year ago, the November unemployment rate in the Twin Cities area is higher primarily because of layoffs in the durable goods manufacturing industries. According to data on persons claiming unemployment insurance, individuals who last worked in durable goods manufacturing firms account for over half of the increase in unemployment insurance claims between November 1984 and 1985. The counties which have experienced the fastest increase in the number of unemployed over the past year are the northern and western suburban counties. According to the 1980 Census, residents in these counties were employed in manufacturing industries to a greater degree than residents of Hennepin, Ramsey and Dakota counties. For example, 31 percent of employed Anoka county residents work in a manufacturing industry compared to 20 percent of Hennepin county residents. Consequently, layoffs in manufacturing firms are more likely to cause an increase in the Anoka county unemployment rate than in the Hennepin county rate.

Employment trends in the Twin Cities metropolitan area are somewhat clouded by the mixed signals which the two employment series are giving. According to the labor force employment series which measures employed residents of the Twin Cities, total employment is lower than a year ago. On the other hand, a monthly survey of establishments in the Twin Cities area shows that the number of jobs held in the metropolitan area is 1.8 percent higher than a year ago. Regardless of which series one looks at, it is apparent that employment growth has slowed considerably during 1985. Manufacturing jobs have been cut in eight of the last nine months. After adjusting for usual seasonal changes between October and November jobs were added in the trade and service industries while they were mostly unchanged in construction, transportation, communication, public utilities, finance and government.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP RATE		
	Nov. 1985	Oct. 1985	Nov. 1984	Nov. 1985	Oct. 1985	Nov. 1984	Nov. 1985	Oct. 1985	Nov. 1984
Minneapolis-St. Paul MSA*	1,294,691	1,287,773	1,296,793	63,995	57,790	57,413	4.9	4.5	4.4
REGION 11	1,201,552	1,195,785	1,204,859	58,644	53,080	52,993	4.9	4.4	4.4
Anoka	121,172	120,567	120,869	6,619	6,034	5,418	5.5	5.0	4.5
Carver	22,489	22,422	22,465	969	906	777	4.3	4.0	3.5
Dakota	120,693	120,039	120,957	5,815	5,182	5,179	4.8	4.3	4.3
Hennepin	564,771	562,432	566,997	27,125	24,881	25,137	4.8	4.4	4.4
Ramsey	275,119	273,667	276,296	13,406	12,000	12,532	4.9	4.4	4.5
Scott	27,250	27,045	27,074	1,566	1,366	1,189	5.7	5.1	4.4
Washington	70,058	69,613	70,199	3,144	2,711	2,761	4.5	3.9	3.9
Chisago*	15,938	15,792	15,964	890	746	798	5.6	4.7	5.0
Isanti*	14,298	14,[illegible]	14,208	848	737	652	5.9	5.2	4.6
Wright*	36,363	35,791	36,289	2,273	1,707	1,932	6.3	4.8	5.3
St. Croix, WI	26,540	26,220	25,473	1,340	1,520	1,036	5.0	5.8	4.1
Bloomington	49,263	49,004	49,325	2,457	2,206	2,152	5.0	4.5	4.4
Minneapolis	218,366	217,137	218,940	11,287	10,094	10,238	5.2	4.6	4.7
St. Paul	160,379	159,510	161,150	8,675	7,833	8,257	5.4	4.9	5.1

* Chisago, Isanti and Wright counties are a part of the Minneapolis/St. Paul-MN-WI MSA, but are included in Region 7.

Analysis of Local Conditions

MPLS-ST. PAUL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS 2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Nov. 1985	Oct. 1985	Nov. 1984	Oct. 1985	Nov. 1984	Nov. 1985	Oct. 1985	Nov. 1985	Oct. 1985	Nov. 1985	Oct. 1985
Total Nonagricultural	1,235.6	1,234.3	1,213.6	0.1	1.8	-	-	-	-	-	-
Manufacturing	256.1	257.9	261.5	-0.7	-2.1	441.86	442.26	10.91	10.92	40.5	40.5
Durable Goods	162.2	163.9	168.0	-1.1	-3.5	458.96	454.84	10.98	10.96	41.8	41.5
Lumber and Furniture	7.4	7.6	7.2	-3.0	3.7	445.44	441.58	11.54	11.44	38.6	38.6
Stone, Clay and Glass	3.0	3.0	3.6	-1.3	-18.1	418.74	411.67	9.97	10.61	42.0	38.8
Primary Metals	4.4	4.5	4.5	-1.3	-2.3	347.27	348.29	9.02	9.07	38.5	38.4
Fabricated Metals	28.1	28.4	28.4	-1.1	-1.1	509.09	513.83	12.15	12.09	41.9	42.5
Nonelectrical Machinery	70.3	71.2	73.9	-1.3	-4.9	472.63	473.48	11.28	11.22	41.9	42.2
Office and Computing	36.6	37.3	39.4	-1.8	-7.2	528.12	527.85	11.71	11.73	45.1	45.0
Electrical Machinery	16.2	16.4	17.9	-1.4	-9.4	378.56	360.99	9.10	9.07	41.6	39.8
Transportation Equipment	4.3	4.2	4.0	1.0	6.0	700.90	630.95	13.99	13.99	50.1	45.1
Scientific Instruments	24.0	24.0	24.4	0.0	-1.6	412.41	420.02	10.01	10.17	41.2	41.3
Miscellaneous Manufacturing	4.5	4.5	4.0	-0.4	10.2	401.81	383.72	9.41	9.18	42.7	41.8
Nondurable Goods	93.9	94.0	93.5	-0.1	0.4	413.57	422.37	10.77	10.83	38.4	39.0
Food and Kindred	18.5	18.5	18.5	-0.1	-0.2	386.78	380.84	9.55	9.45	40.5	40.3
Textiles and Apparel	2.0	2.0	2.4	-0.1	-17.0	231.48	227.50	6.43	6.25	36.0	36.4
Paper and Allied	25.7	25.8	26.2	-0.3	-1.6	447.72	466.56	11.48	11.52	39.0	40.5
Printing and Publishing	30.1	30.0	28.9	0.5	4.3	410.69	423.61	11.16	11.48	36.8	36.9
Chemicals and Petroleum	8.5	8.5	8.3	-0.1	2.4	471.99	499.43	12.62	12.58	37.4	39.7
Rubber, Plastic and Leather	9.1	9.3	9.3	-1.5	-1.9	374.79	369.20	9.30	9.23	40.3	40.0
Nonmanufacturing	979.6	976.4	952.1	0.3	2.9	-	-	-	-	-	-
Mining	-	-	-	-	-	-	-	-	-	-	-
Metal Mining	-	-	-	-	-	-	-	-	-	-	-
Construction	53.5	55.2	51.3	-3.1	4.3	605.69	646.29	16.37	16.70	37.0	38.7
Transport., Comm., & Pub. Util	68.0	67.9	68.2	0.2	-0.3	-	-	-	-	-	-
Transportation	46.0	45.8	45.0	0.4	2.1	-	-	-	-	-	-
Trucking and Warehousing	15.5	15.3	16.8	1.4	7.7	382.19	405.69	12.49	12.56	30.6	32.3
Communication and Public Util	22.1	22.1	23.2	0.0	-4.8	528.26	559.37	13.65	13.61	38.7	41.1
Trade	307.0	303.4	304.1	1.2	1.0	239.46	243.17	8.09	8.16	29.6	29.8
Wholesale	79.2	79.2	77.8	0.1	1.8	408.67	405.30	10.56	10.61	38.7	38.2
Retail	227.8	224.2	226.3	1.6	0.7	189.38	193.66	7.04	7.12	26.9	27.2
Building Materials	9.8	10.0	10.0	-1.1	-1.7	327.71	333.61	9.39	9.14	34.9	36.5
General Merchandise	40.3	38.1	41.2	5.8	-2.3	177.12	182.60	6.56	6.64	27.0	27.5
Food Stores	26.5	26.3	26.9	0.9	-1.5	237.92	241.82	8.29	8.31	28.7	29.1
Automotive	22.3	22.4	20.6	-0.3	8.3	387.50	400.67	9.86	10.30	39.3	38.9
Apparel	12.2	12.0	12.1	1.1	0.8	123.05	126.00	5.35	5.25	23.0	24.0
Home Furnishings	9.5	9.5	8.5	0.5	11.8	196.12	199.00	7.08	7.21	27.7	27.6
Eating and Drinking	76.7	76.6	75.0	0.2	2.3	100.59	100.74	4.79	4.82	21.0	20.9
Fin., Insur., Real Est.	83.9	83.9	80.6	-0.1	4.1	316.59	316.59	8.65	8.65	36.6	36.6
Finance	35.3	35.2	33.9	0.4	4.0	318.32	317.58	8.65	8.63	36.8	36.8
Insurance	34.0	33.9	32.5	0.3	4.8	364.65	365.04	9.35	9.36	39.0	39.0
Real Estate	14.5	14.8	14.2	-1.8	2.6	212.58	214.59	6.77	6.90	31.4	31.1
Services	303.7	305.3	288.2	-0.5	5.4						
Personal Services	15.2	15.3	13.5	-0.2	13.0						
Business Services	72.8	73.2	68.5	-0.5	6.3						
Repair Services	14.5	14.5	14.2	0.1	2.5						
Health Services	77.4	77.4	74.2	0.1	4.4						
Hospitals	27.3	27.3	27.0	0.0	1.2						
Nursing Homes	21.9	21.9	21.0	0.4	4.6						
Legal Services	9.7	9.6	8.8	1.5	10.5						
Private Education	16.5	16.5	15.6	0.1	6.1						
Government	163.4	160.8	159.8	1.6	2.3						
Federal	19.0	19.0	18.0	0.3	5.6						
State	49.6	48.1	48.8	3.1	1.7						
Education	28.6	27.1	27.1	5.4	5.2						
Local	95.2	93.7	93.0	1.7	2.4						
Education	53.2	51.9	51.8	2.5	2.8						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Analysis of Local Conditions

NORTHEAST MINNESOTA

by Mike Casey

Seasonal factors influenced the labor force estimates in northeastern Minnesota between October and November. Employment declines combined with increased unemployment to raise the unemployment rate for the region by nearly two percentage points above the rate for the month of October.

Even though the estimated number of jobholders dropped by nearly 2,000 the decline was less than the average number of jobs lost for this time of year over the past seven years. Employment losses were most noteworthy in the construction and mining industries as gains in several other industries were not strong enough to offset the seasonal declines.

Job losses are expected to continue over the short term, at least until February, before the economy begins its seasonal improvement. Historically, significate declines occur in December, to be followed by more modest employment losses in January. Overall, about 1,500 2,000 more jobs may be temporarily lost. Compared with one year ago, however, the outlook for improving employment opportunities is not so certain as some 8,000 fewer jobs are available throughout northeastern Minnesota.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	NOV 1985	OCT. 1985	NOV. 1984	NOV. 1985	OCT. 1985	NOV. 1984	NOV. 1985	OCT. 1985	NOV. 1984
REGION 3	**132,488**	**131,866**	**142,300**	**15,915**	**13,333**	**17,676**	**12.0**	**10.1**	**12.4**
Aitkin	5,194	5,246	5,429	744	594	816	14.3	11.3	15.0
Carlton	11,087	11,129	12,025	1,489	1,359	1,305	13.4	12.2	10.9
Cook	2,095	2,282	2,196	200	159	252	9.5	7.0	11.5
Itasca	16,875	16,610	17,756	2,490	1,979	2,503	14.8	11.9	14.1
Koochiching	7,336	7,385	7,823	1,002	896	789	13.7	12.1	10.1
Lake	4,338	4,378	4,262	601	531	718	13.9	12.1	16.8
St. Louis	85,563	84,836	92,809	9,389	7,815	11,293	11.0	9.2	12.2
Duluth Only	**33,901**	**33,885**	**36,373**	**2,547**	**2,182**	**2,820**	**7.5**	**6.4**	**7.8**
Balance St. Louis	**51,662**	**50,951**	**56,436**	**6,842**	**5,633**	**8,473**	**13.2**	**11.1**	**15.0**

DULUTH AND DULUTH-SUPERIOR MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	NOV. 1985	OCT. 1985	NOV. 1984	Mo. Ago	Yr. Ago	NOV. 1985	OCT. 1985	NOV. 1984	Mo. Ago	Yr. Ago
Total Nonagricultural Wage & Salary	**41,680**	**41,550**	**41,110**	**0.3**	**1.4**	**85,140**	**85,790**	**86,760**	**-0.8**	**-1.9**
Total Manufacturing	3,330	3,430	3,410	-3.1	-2.3	6,430	6,510	6,430	-1.1	0.0
Durable Goods	1,530	1,620	1,710	-5.9	-10.4	3,420	3,490	3,560	-2.0	-4.0
Nondurable Goods	1,800	1,810	1,700	-0.6	5.9	3,010	3,020	2,860	-0.2	5.2
Total Nonmanufacturing	38,350	38,110	37,700	0.6	1.7	78,700	79,280	80,330	-0.7	-2.0
Construction	1,310	1,430	1,340	-8.4	-2.5	2,880	3,080	3,080	-6.4	-6.4
Transp., Comm. & Pub. Util.	3,290	3,300	3,350	-0.3	-2.0	6,210	6,190	6,950	0.3	-10.6
Wholesale Trade	1,780	1,750	1,910	1.7	-6.5	3,920	3,840	4,060	2.1	-3.4
Retail Trade	9,150	8,930	9,440	2.4	-3.1	17,400	17,380	18,370	0.1	-5.3
Finance, Insur. & Real Estate	1,780	1,760	1,710	1.2	4.1	3,070	3,030	2,950	1.3	4.2
Service & Miscellaneous	11,470	11,440	11,130	0.2	3.0	24,950	25,250	25,750	-1.2	-3.1
Government	9,580	9,500	8,810	0.8	8.7	20,260	20,510	19,180	-1.2	5.7

Analysis of Local Conditions

SOUTHERN MINNESOTA

by Mike Casey

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	NOV. 1985	OCT. 1985	NOV. 1984	NOV. 1985	OCT. 1985	NOV. 1984	NOV. 1985	OCT. 1985	NOV. 1984
REGION 6W	**30,617**	**30,875**	**31,472**	**2,599**	**1,663**	**2,294**	**8.5**	**5.4**	**7.3**
Big Stone	3,795	3,897	4,094	246	182	304	6.5	4.7	7.4
Chippewa	7,468	7,382	7,568	795	443	594	10.6	6.0	7.8
Lac Qui Parie	5,616	5,666	5,788	390	247	376	6.9	4.4	6.5
Swift	6,202	6,217	6,389	663	416	585	10.7	6.7	9.2
Yellow Medicine	7,536	7,713	7,633	505	375	435	6.7	4.9	5.7
REGION 8	**74,399**	**76,166**	**76,294**	**4,991**	**3,882**	**4,540**	**6.7**	**5.1**	**6.0**
Cottonwood	7,124	7,385	7,468	497	411	494	7.0	5.6	6.6
Jackson	8,179	8,547	7,893	637	482	370	7.8	5.6	4.7
Lincoln	3,673	3,805	3,859	271	176	280	7.4	4.6	7.3
Lyon	15,676	15,703	16,283	1,100	757	1,112	7.0	4.8	6.8
Murray	5,866	6,057	6,177	423	333	480	7.2	5.5	7.8
Nobles	11,608	11,838	12,144	745	604	739	6.4	5.1	6.1
Pipestone	5,674	5,842	6,001	302	254	299	5.3	4.3	5.0
Redwood	11,002	11,247	10,707	731	648	538	6.6	5.8	5.0
Rock	5,597	5,742	5,762	285	217	228	5.1	3.8	4.0
REGION 9	**117,987**	**119,048**	**119,840**	**7,664**	**6,300**	**7,030**	**6.5**	**5.3**	**5.9**
Blue Earth	27,976	28,127	29,025	1,453	1,280	1,411	5.2	4.6	4.9
Brown	14,882	14,954	15,156	934	700	986	6.3	4.7	6.5
Faribault	10,833	10,977	10,948	708	582	609	6.5	5.3	5.6
Le Sueur	11,763	11,905	11,372	1,157	1,003	978	9.8	8.4	8.6
Martin	13,884	13,991	13,982	981	760	816	7.1	5.4	5.8
Nicollet	14,794	14,801	15,322	823	660	777	5.6	4.5	5.1
Sibley	8,086	8,207	8,317	601	420	513	7.4	5.1	6.2
Waseca	9,241	9,427	8,947	624	544	519	6.8	5.8	5.8
Watonwan	6,528	6,659	6,771	383	351	421	5.9	5.3	6.2
REGION 10	**224,513**	**224,938**	**222,080**	**14,799**	**11,529**	**13,879**	**6.6**	**5.1**	**6.2**
Dodge	8,623	8,857	8,493	646	532	605	7.5	6.0	7.1
Fillmore	12,479	12,737	12,444	821	660	884	6.6	5.2	7.1
Freeborn	17,794	17,971	17,909	1,311	1,038	1,257	7.4	5.8	7.0
Goodhue	20,273	20,451	20,358	1,244	1,047	1,351	6.1	5.1	6.6
Houston	10,016	10,327	10,559	648	486	640	6.5	4.7	6.1
Mower	18,719	18,086	17,934	1,916	996	1,085	10.2	5.5	6.0
Olmsted	63,380	62,827	60,624	2,958	2,367	2,947	4.7	3.8	4.9
Rice	24,051	23,923	23,848	1,752	1,433	1,666	7.3	6.0	7.0
Steele	16,558	16,883	16,914	1,023	918	1,067	6.2	5.4	6.3
Wabasha	9,718	9,853	9,721	940	776	835	9.7	7.9	8.6
Winona	22,902	23,023	23,276	1,540	1,276	1,542	6.7	5.5	6.6
Rochester City	**40,066**	**39,716**	**38,281**	**2,145**	**1,771**	**2,083**	**5.4**	**4.5**	**5.4**

ROCHESTER MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	NOV. 1985	OCT. 1985	NOV. 1984	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	**57,020**	**56,780**	**55,550**	**0.4**	**2.6**
Total Manufacturing	11,220	11,210	10,980	0.1	2.2
Durable Goods	9,250	9,260	9,270	- 0.1	- 0.2
Nondurable Goods	1,970	1,950	1,710	1.0	15.2
Total Nonmanufacturing	45,800	45,580	44,570	0.5	2.8
Construction & Mining	2,190	2,280	2,080	- 3.9	5.3
Transp., Comm., & Pub. Util.	1,900	1,910	1,890	- 0.5	0.5
Wholesale Trade	1,400	1,390	1,330	0.7	5.3
Retail Trade	11,150	10,940	10,780	1.9	3.4
Fin., Insur., & Real Estate	1,590	1,600	1,510	- 0.6	5.3
Total Services	22,610	22,510	21,980	0.4	2.9
Health Services	16,390	16,330	15,950	0.4	2.8
Other Services	6,220	6,180	6,030	0.6	3.2
Government	4,970	4,950	5,010	0.4	- 0.8

It would appear that the problems associated with the farm economy are beginning to affect the nonagricultural sector. Estimates of employment for the eleven-month period beginning in January 1985 have fallen below employment levels for the same period one year earlier in three of the four economic development regions in southern Minnesota. Employment losses have been relatively higher in the more rural areas where fragile economies are supported in large part, by income generated through farming activities.

Employment levels in 1985 are averaging 2.2 percent below the year-ago figures in Region 6W, while employment losses have been more moderate in Region 8, averaging about 0.7 percent under the 1984 estimate. In Region 9, total employment has edged downward by less than one-half of one percent during the first eleven months of 1985. Only in Region 10 has the number of jobs increased over the year, with employment averaging about two percent above 1984's level.

These unfavorable comparisons of employment in Regions 6W, 8, and 9 have been concentrated in the July-November period for the most part. This would indicate that the estimates for the first half of 1986 will continue to fall below the year-ago level in the three regions where economic growth is very dependent on the success of the farming economy.

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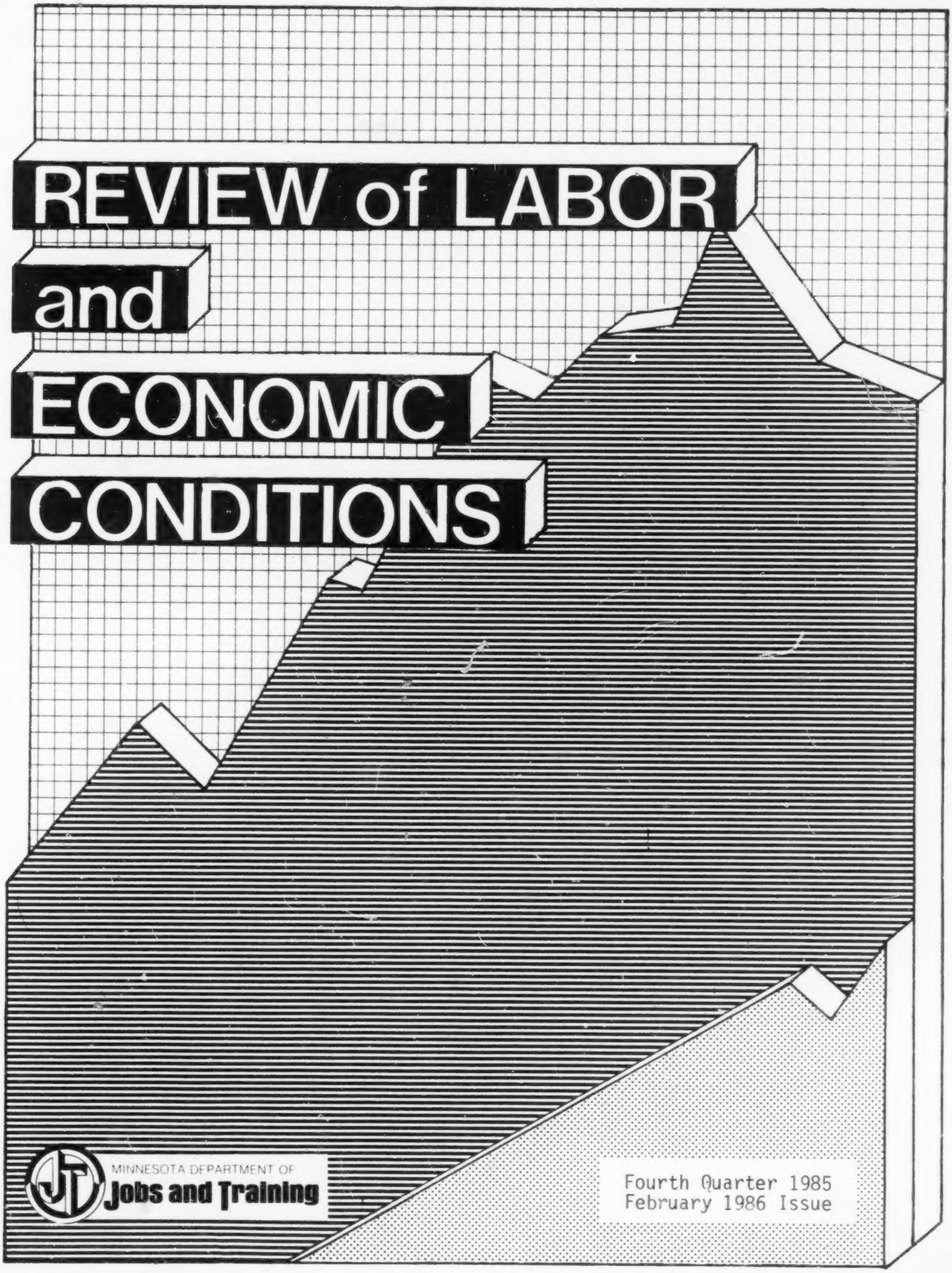

REVIEW of LABOR and ECONOMIC CONDITIONS

MINNESOTA DEPARTMENT OF
Jobs and Training

Fourth Quarter 1985
February 1986 Issue

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Articles on labor market conditions and the economic welfare of Minnesota workers or general economic conditions within the State are welcome. Articles should be submitted complete with tables and graphs. Length should not exceed ten double-spaced typewritten pages, including graphs, references, and notes. The editorial board reserves the right to edit articles for length and clarity.

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Research Summaries

MINNESOTA PUBLIC EMPLOYMENT

by B. Steuernagel

One of the most debated issues at both the federal and state levels in 1986 will be the need to balance government spending and revenue. Eventually, decisions on spending translate into services provided to citizens, whether in the form of police and fire protection, education, street and highway repair, health services, social services, or income support. While not all proposed cutbacks in government spending will result in a decrease in the level of public employment, there will certainly be reductions in many areas. The Research Summary briefly examines government employment in Minnesota especially focusing on a comparison of trends in the growth of private and public sector employment and a detailed distribution of employment based on functions which public employees perform.

In January 1986 there were an estimated 308,700 federal, state and local government employees in Minnesota. About 166,000 or 53.8 percent were working in the Minneapolis-St. Paul MSA. This includes a small number of government employees working in St. Croix County, Wisconsin. Public employees make up 16.8 percent of total nonagricultural wage and salary employment in Minnesota the same as the national average. The following table provides a more detailed breakdown of government employment by specific functions. For example, public employees who work on road construction or repair are categorized in construction while those who are providing services in the administration of a government program, such as natural resources or economic development, are classified in the appropriate public administration category.

About half of the federal employees in Minnesota work for the Postal Service and another third work in a variety of administrative agencies. Most of the balance of federal employees provide health care services at the Veterans Hospitals.

With regard to state and local government, education services is the functional area in which most public employees worked. At the state level, health services is the second largest functional area in terms of employment. At the local level, the second largest functional area, is the basic day-to-day operation of government. This is to be expected given the large number of communities and counties in the state, each of which has its own legislative councils, boards, executives, and support staff.

The following graph presents trends in public and private employment in Minnesota from 1960 through 1985. For public employment, both total and total except educational services, are presented.

The graph shows a noticeable change in the trend of non-educational government employment beginning in 1979 and total government employment in 1981. Whereas public employment had been growing at a faster rate prior to these years, they have lagged behind private employment growth in subsequent years. Employment growth in the public sector in the years 1960-1978 was influenced significantly by the demand for educational services when student enrollment was increasing and the state was increasing funding levels per pupil. A second reason for growth was greater spending in areas of social concern such as welfare. Changes since 1978 reflect declining public school enrollments, a change in political priorities away from domestic programs, and more conservative fiscal policies.

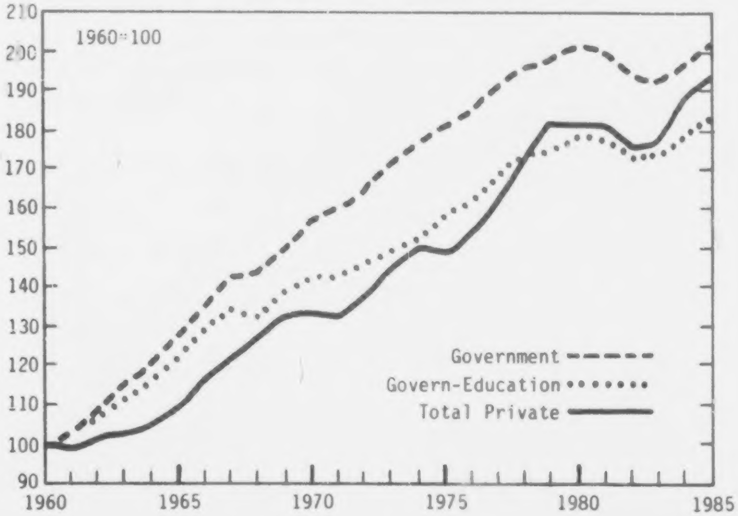
MINNESOTA GOVERNMENT EMPLOYMENT BY FUNCTION AND LEVEL, MARCH 1985

	Federal		State		Local	
	Number	Percent	Number	Percent	Number	Percent
Total	18262	100.0	35972	100.0	90651	100.0
Construction	0	0.0	1253	3.5	1494	1.6
Transportation, Pub. Util.	8986	49.2	0	0.0	2669	2.9
Trade	90	0.5	0	0.0	127	0.1
Finance, Insur., Real Est.	140	0.8	118	0.3	139	0.2
Services	2702	14.8	20562	57.2	59391	65.5
Health	2633	14.4	4681	13.0	6255	6.9
Education	0	0.0	14377	40.0	50886	56.1
Family and Social Services	10	0.1	42	0.1	1161	1.3
Other	59	0.3	1462	4.1	1089	1.2
Public Administration	6344	34.7	14039	39.0	26831	29.6
Exec., Legisl., Gen'l Govt.	404	2.2	1750	4.9	15323	16.9
Just., Pub. Order, Safety	418	2.3	2954	8.2	4086	4.5
Public Finance, Taxation	947	5.2	1340	3.7	429	0.5
Adm. of Human Res. Prog.	1297	7.1	3677	10.2	2935	3.2
Adm. of Environ. Quality and Housing	632	3.5	1480	4.1	3176	3.5
Adm. of Economic Prog.	1502	8.2	2755	7.7	810	0.9
National Security	1144	6.3	83	0.2	72	0.1

1/ Postal Service.
2/ Does not include students working for school while a full-time student.
3/ Dept. of Education, Public Health, Human Services Administration, Social Security, Unemployment Insurance and Workers Compensation.
4/ Pollution Control, Natural Resources, Housing and Urban Development.
5/ Economic Development, Regulation-Licensing-Administration of Transportation, Regulation of Communication and Public Utilities, Agricultural Marketing and Commodities Regulation.

Source: Covered Employment and Wages, Research and Statistics Office, Minnesota Department of Jobs and Training.

INDEX OF PUBLIC AND PRIVATE EMPLOYMENT MINNESOTA, 1960-1985



The Job Market

THE NURSING CARE FACILITIES INDUSTRY

By D. Detrick

Employment in the Nursing and Personal Care Facilities Industry has more than tripled over the last twenty-five years in Minnesota. Although industry growth in the 1980's has not kept pace with the rapid gains of the 1970's, employment in the Nursing and Personal Care Facilities Industry is expected to increase faster than total State employment, service industry employment, and medical and other health services industry employment between 1980 and 1990.

Future industry employment will largely depend on swelling numbers of elderly persons, cost-containment measures, and the trend toward substituting nursing home care for some hospital services that will compound the increasing demand for nursing home services. Government reimbursement practices, while slowing overall health care industry employment growth, will encourage a shift in health care from hospitals to other facilities such as nursing homes.1/

The industry employs 45,200 persons (including government), or 2.5 percent of Minnesota's total nonagricultural wage and salary employment. Approximately half of nursing home workers are employed in the Minneapolis-St. Paul nine-county metropolitan area. Two-fifths of the State's 420 nursing home facilities are located in the Twin Cities.

Five major occupational groups account for the majority of employees as follows: Service (67.0 percent); Managerial and Professional (17.5 percent); Technical (6.5 percent); Clerical (5.0 percent); and Machine Operators (2.9 percent). Remaining industry employment is spread among Laborers, Craft, Sales and Farming occupational groups.

Occupations of particular interest are described in Table 1. Of the 10 occupations listed, only licensed practical nurses and maids are projected to grow more slowly in the Nursing and Personal Care Facilities Industry than these same occupations are projected to grow in all industries between 1980 and 1990. By 1990, industry employment of managers and administrators nec. and health aides (except nursing) is expected to surpass that in hospitals. Four of the five largest occupations in 1980 are projected to remain in the top five in 1990. Miscellaneous food preparation workers are expected to become one of the five largest occupations by 1990, as maids drop out of the ranking. Health aides (except nursing) is the only occupation which is both one of the five largest and fastest growing in the industry.

Table 1. Significant Occupations in the Industry

	Employment		% in
Largest Occupations in 1980	1980	1990	Employment
Nursing aides, orderlies, and attendants	18301	19397	6.0
Registered nurses	3617	3662	1.2
Licensed practical nurses	2519	2645	5.0
Health aides exc. nursing	1925	3960	105.7
Maids	1770	1623	-8.3
Fastest Growing Occupations2/			
Laundering and dry cleaning machine operators	956	2217	131.9
Managers and administrators nec.	795	1817	128.6
Health aides exc. nursing	1925	3960	105.7
Secretaries	601	1170	94.7
Misc. food preparation occupations	1700	2694	58.5

1/ "A Second Look at Industry Output and Employment Trends Through 1995", Monthly Labor Review, November, 1985.

2/ Fastest growing occupations with 500 or more workers.

SUPPLY/DEMAND FOR SPECIFIC OCCUPATIONS, JANUARY, 1986[1/]

By S. Hamper

MINNESOTA

Shortage Occupations: highly skilled clerical workers, food service workers#

Surplus Occupations: assemblers#, general laborers#, factory workers#

CENTRAL MINNESOTA

Shortage Occupations: highly skilled clerical workers, especially data-entry operators, typists, and stenographers, over-the-road truck drivers

Surplus Occupations: assemblers#, mechanics, general laborers#, factory workers#

MINNEAPOLIS- ST. PAUL

Shortage Occupations: commissioned sales persons#, skilled clerical workers#, waiters/waitresses#, food service workers#

Surplus Occupations: assemblers#, general laborers#, factory workers

NORTHEASTERN MINNESOTA

Shortage Occupations: none

Surplus Occupations: entry level managers#, teachers#, social workers#, nurses#, office clerical workers#, typists#, bookkeepers#, sales clerks#, maids#, waiters/waitresses#, food production workers#, machinists#, welders#, auto mechanics#, maintenance mechanics#, carpenters#, bricklayers#, pipefitters#, electricians#, painters#, mining crafts#, laborers: construction, general, and mining#

NORTHWESTERN MINNESOTA

Shortage Occupations: none

Surplus Occupations all occupations

SOUTHERN MINNESOTA

Shortage Occupations: experienced computer programmers, food service workers

Surplus Occupations: clerical workers#, construction workers#, factory workers#, material handlers

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1/ Shortage occupations are those that are difficult to fill or go unfilled due to the lack of qualified applicants. Surplus occupations are those in which the number of qualified applicants greatly exceeds the number of openings.

# This occupation has been listed as a shortage or surplus occupation in at least two out of the last three quarters of the *Review*.

Forecasts

FORECASTS OF GNP & MINNESOTA PAYROLL EMPLOYMENT

By C. Cline

Forecasts for the next eight quarters are given below. They show growth at about the same rates as last time. Real GNP is forecasted to grow at 7.57 percent over 1985:4 - 1986:4 compared to the forecast of 7.77% over 1984:3 - 1985:3. Minnesota nonagricultural wage and salary employment is forecasted to grow by 4.97 percent whereas the last forecast was for 5.51 percent growth. The percent change rates over the first four-quarter period was the actual estimate as the initial value.

These forecasts are based on revised data for the period 1950:1 through 1986:4. The series for Real GNP was completely revised and the constant dollar index changed to 1982. Benchmarking of wage and salary employment resulted in revised values for 1983, 1984 and 1985. Percent errors for the employment variables of our forecast for 1985:4, based on the revised historical data, were slightly larger than usual.

Our forecast for Real GNP is higher than those from a number of forecasters. If an average of the forecasts for Real GNP reported by the Conference Board is used to produce conditional forecasts for Minnesota employment, the growth rate for total employment is 2.19 percent as opposed to 4.97 percent for 1986 and 3.05 percent compared to 6.47 percent for 1987.

Quarter	Real GNP (Billions of 1972 Dollars)	MINNESOTA PAYROLL EMPLOYMENT, BY QUARTER (In Thousands)								
		Total Nonagricultural Wage & Salary	Mining	Contract Construction	Manufacturing	Transportation, Communications, & Public Utilities	Retail and Wholesale Trade	Finance, Insurance, & Real Estate	Services	Government
Current										
1985:4	3594.80	1893.96	7.93	75.58	369.98	100.40	475.80	112.17	440.20	311.90
Forecasts										
1986:1	3659.39	1844.52	7.85	57.22	360.84	97.38	457.02	112.16	440.35	312.69
1986:2	3722.82	1915.75	9.39	73.51	368.25	99.86	476.77	114.63	457.45	315.40
1986:3	3800.86	1950.36	9.61	87.62	387.26	100.85	485.48	116.39	465.38	291.10
1986:4	3866.58	1988.11	9.04	82.76	386.53	104.10	494.90	116.23	471.32	318.88
1987:1	3925.64	1951.59	8.60	62.69	386.17	102.10	479.22	116.45	471.58	320.42
1987:2	3976.92	2038.77	9.86	80.45	398.91	105.51	502.76	119.21	490.52	323.73
1987:3	4020.71	2081.57	9.99	95.40	421.52	106.85	511.44	121.31	497.57	301.00
1987:4	4056.06	2116.81	9.40	88.53	418.95	110.10	521.61	121.19	504.81	328.38

Notes

1. These forecasts are produced using the Vector Autoregression model developed for Research by Rao Aiyagari.
2. The concept of employment forecasted is that of Nonagricultural Wage and Salary employment. The count represents the number of jobs held since the data is generated from a survey of employer payroll records. Groups included in labor force employment, but excluded here are the self employed, domestics, unpaid family workers, employees of nonprofit institutions, and those government workers not covered by unemployment insurance.
3. Employment forecasts are seasonally unadjusted values. Real GNP is seasonally adjusted.
4. Forecasts of major industry employment do not sum to the forecast of total wage and salary employment. This is due to random error in the forecasted values.
5. There is great diversity in the accuracy of the forecasts among the major industry divisions, especially mining. More information on their accuracy can be obtained from the author on request.

Feature Article

A LOOK AT THE FORECASTS FOR 1986

By B. Boyle

I. INTRODUCTION

This year, as opposed to past years when the Director of Research and Statistics developed his own economic outlook for the following year for both the Nation and Minnesota, it was decided that we would present and discuss a number of national forecasts. In the last part of this article, we will discuss the latest developments among the available economic indicators and summarize prospects for the Nation's economy in 1986.

The main source for the forecasts was the Blue Chip Economic Indicators publication which provided fifty four of the sixty five forecasts. Forecasts were also obtained from the Conference Board Statistical Bulletin and the US News and World Report and Nation's Business magazines. Publications produced by Goldman Sachs Economics, the University of Michigan's Survey Research Center, Merrill Lynch Economics and Data Resources Inc. provided forecasts with considerable detail. We were able to obtain the latest Blue Chip forecasts as well as a few others included in the Blue Chip publication but we may not have the most recent forecasts for the other forecasting groups shown in Table 1. Part II of this article will include a table (table 3) showing sixty five forecasts of real gross national product together with several other economic variables for 1986. The table will also give the Blue Chip forecasts developed in both November 1985 and February 1986 as well as the highs and lows of the various economic variables. We will discuss the differences between the forecasts and insofar as information was available provide some of the economists' assumptions.

II. As shown in Table 3, the spread in the November 1985 forecasts was noticeably wider than in the forecasts developed in February 1986. Robert Eggert, editor of the Blue Chip report, noted that the spread in the November forecasts was the widest in Blue Chip's eight year history. He also said that such a large spread indicated that a lot of uncertainty existed at that time. In February, however, the forecasts not only showed less of a spread but also were generally more optimistic. In November the forecasted percent changes in real gross national product (GNP) ranged from 5.1 to -0.7 while in February the percent changes varied between 5.0 and 1.5. Although the Consensus Forecast remained the same in February, seven of the forecasters raised their GNP growth by more than 0.4 of a percent. The largest revision was made by Business Economics which raised its forecast from a decline of 0.7 percent in real GNP to a gain of 1.5 percent. On the other hand, only three forecasting firms lowered their GNP forecasts by more than 0.5 of a percent.

Table 1
Largest Changes in Real GNP Forecasts
November 1985 to February 1986
All Forecasts

Largest Increases		
Business Economics, Inc.	2.4	(-0.7 to 1.7)
Chase Manhattan Bank	1.1	(1.5 to 2.6)
Siff, Oakley, Marks, Inc.	0.8	(1.0 to 1.8)
Cahner's Publishing Co.	0.8	(0.9 to 1.7)
Pennzoil Company	0.8	(2.3 to 3.1)
Merrill Lynch	0.6	(3.0 to 3.6)
Georgia State	0.5	(2.9 to 3.4)
Conference Board	0.4	(3.0 to 3.4)
Eggert Economic Enterprises	0.4	(2.8 to 3.2)
U.S. Trust Company	0.4	(2.5 to 2.9)
Data Resources Inc.	0.4	(2.0 to 2.4)

Largest Decreases

Peter L. Bernstein	-1.1	(5.0 to 3.9)
Fairmodel - Economica Inc.	-0.6	(3.9 to 3.3)
Manufacturers Hanover Trust	-0.6	(3.6 to 3.0)
Marine Midland Bank	-0.5	(3.9 to 3.5)
1st National Bank - Chicago	-0.5	(2.7 to 2.2)
Econoclast	-0.4	(4.1 to 3.7)
La Salle National Bank	-0.4	(3.6 to 3.2)

Some interesting numbers turned up among the high and lows in the forecasts of the various economic variables

* The highest domestic auto sales was forecast by Fairmodel-Economica which had predicted real GNP growth only 0.2 above the Blue Chip average.

Table 2
Highs and Lows
in Blue Chip Forecasts
for 1986

Economic Variable	Percent Change or Number	Forecasting Organization
	Highs	
Real GNP	5.0 (% change)	Bostian Research Assoc.
Non-Res. Fixed Investment	10.0 (% change)	Econoviews Int'l, Inc.
Profits - Pretax	27.0 (% change)	Peter L. Bernstein
Industrial Production	6.8 (% change)	Bostian Research Assoc.
Auto Sales - Domestic	9.2 (million)	Fairmodel-Economica Inc.
Auto Sales - Import	3.4 (million)	Sears Roebuck Morgan Guaranty Chrysler Corporation
Housing Starts	2000.0 (thous.)	Bostian Research Assoc.
Disposable Personal Income	4.3 (% change)	Bostian Research Assoc.
Unemployment Rate	7.3	Bank of America, N.A. Arthur D. Little Business Economics, Inc.
Consumer Price Index	4.7 (% change)	Chase Manhattan Bank
GNP Price Deflator	4.4 (% change)	Chase Manhattan Bank
	Lows	
Real GNP	1.5 (% change)	Inforum-U of MA.
Non-Res. Fixed Investment	-5.0 (% change)	Business Economics, Inc.
Profits - Pretax	-4.7 (% change)	Inforum - U of MA.
Industrial Production	-1.5 (% change)	Arthur D. Little
Auto Sales - Domestic	7.1 (million)	Georgia State Chrysler Corporation
Auto Sales - Import	2.4 (million)	Morgan Stanley & Co. Cahnor's Publishing Co.
Housing Starts	1500.0 (million)	Arthur D. Little
Disposable Personal Income	1.5 (% change)	Northern Trust Company
Unemployment Rate	6.4	Harris Trust & Savings Bank
Consumer Price Index	1.5 (% change)	Prudential Bache
GNP Price Deflator	2.3 (% change)	Prudential Bache

* The total auto sales (domestic and import) that went with the highest (Bostian) and lowest (Inforum) real GNP forecasts were almost identical.

* Northern Trust Company whose real GNP forecast was only 0.1 below the Blue Chip average expected the smallest growth in disposable personal income.

* Chrysler Corporation had one of the low forecasts for domestic auto sales and one of the highs for import auto sales.

* The highest inflation was expected by a forecasting organization who forecast rather slow growth in real GNP (Chase Manhattan Bank).

The two main causes of the increased optimism seem to be the surge in stock prices and the plunge in oil prices both of which occurred in the last quarter of 1985. In addition to the rising stock prices and falling oil prices, optimists in general, point to the depreciating dollar, declining interest rates and increasing money supply as reasons for their optimism. At the top is the Bostian group which appears to expect a good year on almost all counts - sharp rises in industrial production, disposable personal income and housing starts. Harris Trust cites improvement in productivity and substantial excess capacity as major factors in a year of strong growth. Peter Bernstein believes that the decline in the value of the dollar will be the big generator of strength in the economy in 1986. The CM & M group thinks that inventory rebuilding will bolster the economy this year.

Closer to the other end of the scale is Arnhold and Bleichroeder's Timothy Sullivan who won the Fifth Annual Silberg Economic Forecasting Award for his accurate forecasting from 1982 to

Table 3
1986 Forecasts of the U.S. Economy
(Annual Percent Change Except as Noted)
By Selected Variables as Available
In Descending Order of Real GNP

Forecasting Organization	Real GNP			Invest.	Profits Pretax	Indust. Produc.	Auto Sales Dom. (mill.)	Auto Sales Import (mill.)	Housing Starts (thous.)	Dispos. Pers. Income	Unempl. Rate (86 Avg.)	Cons. Price Index	GNP Price De- flator
	Feb. 1986	Nov. 1985	Chg. Nov. to Feb.										
Bostian Research Assoc.*	5.0H	5.1	-0.1	8.7	21.0	6.8H	8.4	2.9	2000.0H	4.3H	6.6	4.1	3.9
Harris Trust & Savings Bank*	4.8	4.7	0.1	6.0	19.5	5.5	8.3	3.2	1860.0	3.0	6.4L	3.6	3.6
First Interstate Bancorp.	4.8												
CM & M Group	4.4												
Polyconomics*	4.3	4.5	-0.2	7.0	9.0	4.1	7.8	2.7	1800.0	3.9	6.8	2.9	2.9
Peter L. Bernstein*	3.9	5.0	-1.1	5.4	27.0H	5.7	7.7	2.5	1900.0	3.2	6.6	3.3	3.3
Econoviews International, Inc.*	3.9	3.9	0.0	10.0H	14.0	3.7	7.4	3.1	1850.0	3.5	6.6	3.7	3.3
Morris Cohen & Assoc.*	3.8	3.9	-0.1	6.0	15.8	4.2	8.3	3.0	1850.0	3.8	6.5	3.5	3.2
Kemper Financial Services	3.8										6.4	4.6	
Evans Economics*	3.8	3.9	-0.1	6.2	18.0	4.6	7.5	3.1	1820.0	2.4	6.6	3.2	3.1
Wayne Hummer & Co.*	3.8	3.5	0.3	6.9	11.0	3.3	7.7	2.9	1800.0	3.9	6.6	3.6	3.2
Econoclast*	3.7	4.1	-0.4	4.3	10.3	3.2	8.0	3.3	1850.0	3.0	6.7	3.0	2.8
Irving Trust Co.*	3.7	3.7	0.0	5.3	12.5	3.6	7.7	2.9	1690.0	3.0	6.5	4.2	3.[illegible]
Goldman Sachs Economics	3.7	3.6	0.1			4.6			1950.0	6.3	6.4	4.3	3.9
Sears Roebuck*	3.6	3.5	0.1	4.9	15.1	4.1	7.7	3.4H	1790.0	3.1	6.6	3.1	3.3
Merrill Lynch*	3.6	3.0	0.6	5.6	7.0	4.0	7.5	3.2	1800.0	3.2	6.7	3.0	2.7
Dr. Walter Heller, U of M	3.5								1900.0		6.9	3.5	
Chamber of Commerce of USA	3.5	3.7	-0.2	5.6	19.0	4.7	8.5	3.2	1900.0	2.8	6.7	3.0	3.2
Fleet Financial Group	3.5												
Conference Board*	3.4	3.0	0.4	4.4	4.7	4.0	8.4	3.2	1790.0	2.6	6.6	4.0	3.6
Prudential Insurance*	3.4	3.7	-0.3	6.3	15.0	3.2	8.3	3.3	1810.0	3.1	6.7	4.1	3.7
Security Pacific Nat'l Bank*	3.4	3.3	0.1	4.6	14.3	3.5	7.9	3.2	1810.0	2.7	6.6	3.2	3.1
Georgia State*	3.4	2.9	0.5	4.3	11.0	2.3	7.1L	3.1	1800.0	2.4	6.6	3.3	3.0
UCLA Business Forecast*	3.4	3.1	0.3	2.8	7.2	3.1	7.6	3.2	1890.0	2.4	7.0	3.6	3.4
Marine Midland Bank*	3.4	3.9	-0.5	5.4	4.7	3.6			1860.0		6.7	3.1	3.0
Fairmodel-Economica, Inc.*	3.3	3.9	-0.6	3.2	11.0	5.0	9.2H	3.0	1880.0	2.2	6.7	2.8	3.1
US News & World Report	3.3					2.5			1925.0		7.3	3.1	
Citicorp Info. Services	3.3										6.5	4.0	3.8
Dr. Murray Weidenbaum, W.U. St.L.	3.2										6.6	3.9	3.9
Charles Reeder*	3.2			4.3	9.6	3.8	7.7	3.1	1800.0	2.5	6.9	2.6	2.8
Eggert Economic Enterprises*	3.2	2.8	0.4	3.6	9.8	3.4	7.6	3.1	1810.0	2.9	7.1	3.5	3.3
Dean Witter Reynolds*	3.2	3.5	-0.3	4.5	9.1	4.3	7.4	3.1	1800.0	2.4	6.8	4.1	3.8
E.I. Dupont Co.*	3.2	2.9	0.3	2.3	15.0	3.6	7.6	3.2	1830.0	2.6	6.9	2.9	2.9
LaSalle National Bank*	3.2	3.6	-0.4	3.6	6.5	3.5	7.5	3.3	1750.0	3.3	6.8	3.4	3.3
Blue Chip Economic Indicators Ave. of 50 forecasts (Feb. 1986)	3.1	3.1	0.0	3.7	9.6	3.1	7.7	3.1	1800.0	2.6	6.9	3.5	3.4
Brown Brothers Harriman*	3.1	3.0	0.1	2.6	11.3	2.5	7.7	3.1	1830.0	2.4	6.8	4.0	3.5
Pennzoil Co.*	3.1	2.3	0.8	0.9	12.5	2.0	8.0	3.3	1800.0	3.3	6.9	4.4	4.3
Northern Trust Co.*	3.0	3.1	-0.1	4.5	8.1	2.3	7.4	3.2	1740.0	1.5L	6.9	3.6	3.6

Table 3 (continued)
1986 Forecasts of the U.S. Economy
(Annual Percent Change Except as Noted)
By Selected Variables as Available
In Descending Order of Real GNP

Forecasting Organization	Real GNP			Invest.	Profits Pretax	Indust. Produc.	Auto Sales Dom. (mill.)	Auto Sales Import (mill.)	Housing Starts (thous.)	Dispos. Pers. Income	Unempl. Rate (86 Avg.)	Cons. Price Index	GNP Price De-flator
	Feb. 1986	Nov. 1985	Chg. Nov. to Feb.										
Manufacturers Hanover Trust*	3.0	3.6	-0.6	5.4	11.7	4.1	7.8	3.2	1900.0	2.4	6.6	3.2	3.3
Morgan Guaranty*	3.0	3.0	0.0	4.9	14.1	2.7	8.2	3.4H	1840.0	2.6	6.9	3.3	3.0
U of Michigan RSQE	2.9								1800.0	1.8	7.3		
W.R. Grace Co.*	2.9	2.9	0.0	4.5	8.5	2.6	7.6	2.8	1730.0	2.0	6.9	3.9	3.5
Prudential Bache*	2.9	3.0	-0.1	3.5	8.0	4.5	8.2	3.3	1900.0	1.7	6.9	1.5L	2.3L
Morgan Stanley & So.	2.9	2.9	0.0	2.7	6.9	4.1	7.9	2.4L	1800.0	2.5	6.8	3.7	3.7
Philadelphia Nat'l Bank*	2.9	2.8	0.1	5.3	7.2	2.7	7.6	2.9	1790.0	2.6	6.9	3.4	3.3
Bankers Trust*	2.9	3.1	-0.2	2.4	10.1	3.2	8.1	3.0	1810.0	2.7	7.0	3.7	3.5
Nat'l City bank of Cleveland*	2.9	3.2	-0.3	2.8	7.8	2.5	7.3	3.2	1700.0	2.2	7.0	3.9	3.6
U.S. Trust Co.*	2.9	2.5	0.4	2.0	12.0	4.0	8.0	3.0	1850.0	2.5	6.8	3.5	3.4
Chrysler Corp.*	2.8	3.0	-0.2	5.0	10.0	2.5	7.1L	3.4H	1750.0	2.4	7.0	2.8	3.1
Nat'l Bureau of Economic Research Avg. of 28 forecasts	2.7										7.2	4.1	
Metropolitan Insurance*	2.7	2.5	0.2	3.5	8.5	2.4	7.3	2.7	1650.0	2.3	7.2	4.1	3.6
Wharton Econometrics	2.6										7.3		3.3
Bank of America, N.A.*	2.6	2.6	0.0	2.5	11.4	1.7	7.6	3.2	1880.0	2.3	7.3H	4.1	3.7
Chase Manhattan Bank*	2.6	1.5	1.1	0.8	5.0	2.9	7.4	3.1	1700.0	2.7	7.1	4.7H	4.4H
Chase Econometrica	2.5										6.9	3.5	3.3
Meyer & Assoc.*	2.5	2.5	0.0	6.2	8.6	2.8	7.6	3.3	1850.0	1.9	7.0	3.1	3.2
A. Gary Schilling & Co.	2.5												
Equitable Life Assurance*	2.5	2.6	-0.1	1.6	5.0	2.8	7.5	2.7	1790.0	2.1	7.1	3.4	3.5
Data Resources	2.4	2.0	0.4			2.3			1899.0	2.0	6.9	3.2	3.2
1st Nat'l Bank - Chicago*	2.2	2.7	-0.5	2.1	-0.3	1.9	7.2	3.1	1750.0	2.6	7.0	3.9	3.6
Arnold & S. Bleichroeder*	2.0	2.2	-0.2	2.2	-1.5	1.4	7.5	3.2	1790.0	2.5	7.2	3.7	3.1
Arthur D. Little*	2.0	2.0	0.0	-1.5	-2.0	-1.5L	7.2	2.6	1500.0L	2.0	7.3H	3.0	3.5
Siff, Oakley, Marks, Inc.	1.8	1.0	0.8	1.5	1.3	1.2	7.4	3.1	1700.0	1.9	7.2	3.9	3.6
Business Economics, Inc.	1.7	-0.7	2.4	-5.0L	5.0	0.0	7.3	3.1	1650.0	2.0	7.3H	3.7	3.5
Cahner's Publiching Co.	1.7	0.9	0.8	-1.5	-0.2	-1.1	7.4	2.4L	1670.0	1.8	7.2	3.3	3.0
Inforum-U. of Maryland	1.5L			-2.9	-4.7L	0.3	8.3	2.9	1780.0	2.4	7.1	4.2	4.1
* In Blue Chip Survey													
H = high in Blue Chip L = low in Blue Chip													
ACTUAL DATA													
1985		2.3		9.6	9.4	2.2	8.2	2.8	1730.0	1.6	7.2	3.6	3.3
1984		6.5		11.5	27.8	11.5	8.0	2.4	1750.0	5.7	7.5	4.3	4.1
1983		3.5		-1.8	42.5	5.9	6.8	2.4	1700.0	3.2	9.6	3.2	3.8

1984. Mr. Sullivan believes that economic growth will be slowed by lower capital spending resulting from excess capacity in the industrial sector and overbuilding in the commercial sector. He also expects housing to be flat because bankers have tightened their lending rules and that auto production will be cut back because of the inventory buildup. Also somewhat pessimistic even though they have raised their forecast for 1986 by 0.4 percent are Data Resources economists who also expect that weak capital spending will slow economic growth. In addition they do not think that the money supply will grow fast enough to support stronger growth.

Dr. Walter Heller, Regents professor of economics at the University of Minnesota, whose earlier forecast of 3.3 percent over-the-year growth in real GNP was not far above the Blue Chip average believes that the economy could rebound in 1986. He is now forecasting GNP growth of 3.5 percent for 1986. Mr. Heller believes that the declines in the dollar and in oil prices, the drop in interest rates and the federal deficit itself will boost GNP in 1986. Unlike many economists, Mr. Heller does not believe that consumer spending will be sluggish this year. He expects that consumer spending will be lifted by the increase in income resulting from the soaring stock and bond prices and from gains in employment. However, Mr. Heller does not think that consumer spending will rise quite as much as real GNP this year.

Merrill Lynch Economics, which also had a forecast close to the Blue Chip average in November, has now raised its GNP growth by 0.4 percent after an earlier upward revision of 0.2 percent. The main reason for the revision was that their assumption about oil prices for 1986 was reduced. Merrill Lynch also believes that consumer spending will rise substantially in 1986 because of the increased net worth from the surge in stock prices.

III. Recent Developments and Conclusion

On the surface, a significant amount of the latest batch of economic statistics would seem to indicate that the economy began the year on a weak note. However, analysts attributed much of the bad news to special factors. For example, the December and January personal income numbers were distorted by farm subsidy payments, cost of living adjustments, higher social security taxes and a military pay raise. Excluding these special factors, personal income would have risen 0.7 percent in December and 0.2 percent in January instead of the 1.2 percent increase in December and the 0.1 percent drop in January. Also, some economists believe that the January weaknesses in retail sales and personal consumption expenditures may have been caused by the robust Christmas sales stealing from January sales. Economists expect that the falling oil prices and declining interest rates should boost consumer spending in the coming months. Furthermore, analysts believe that the dismal employment report for February was also primarily the result of special circumstances. Department of Labor officials say that much of the 0.6 of a percentage point surge in the unemployment rate in February was caused by the bad weather in the agricultural areas of California, the slumping oil industry in

CONTINUED ON PAGE 26

Brief Analysis Of Economic Conditions

THE NATIONAL AND STATE ECONOMIES IN THE FOURTH QUARTER

by B. Boyle

Nation

Although the Nation's economy grew at a sluggish 1.2 percent in the fourth quarter of 1985, other developments such as the plunge in oil prices and the drop in the dollar suggested that economic growth would accelerate in 1986. In fact, many private forecasters have been revising their projections upward for 1986, with a number of them now nearing the administration's forecast of 4 percent.

In spite of the slow overall economic growth, labor market conditions continued to improve in the fourth quarter and especially in January. The seasonally adjusted unemployment rate fell to 6.7 percent in January, the lowest since March 1980, following averages of 7.0 percent in the fourth quarter and 7.2 percent in the third quarter. Also, seasonally adjusted nonfarm payroll employment jumped by 566,000 in January after gains of 842,000 in the fourth quarter and 744,000 in the third quarter. Perhaps the most significant development in the fourth quarter and January was that employment in manufacturing rose moderately for the fourth consecutive month in January after declining in the first three quarters of 1985.

A number of economists discounted the weak January performances by several indicators - industrial production, retail sales, personal income and personal spending. They maintain that even though industrial output has been rising moderately, the three months of gain followed declines or stagnation for most of 1985. They also believe that retail sales, personal income and personal spending will resume growth in the following months.

State

Employment developments in the State were also somewhat mixed in the fourth quarter as total employment rose faster than in the third quarter, nonfarm payroll employment increased more slowly and the unemployment rate held steady. In January, however, both total and nonfarm payroll employment rose sharply compared to earlier months.

Revised labor force figures show that the State's seasonally adjusted unemployment rate was 6.0 percent in both the third and fourth quarters of 1985 before jumping to 6.4 percent in January. The rate averaged 5.6 percent in the second quarter. Seasonally adjusted total employment rose by 3,100 in the fourth quarter after declining by 3,400 in the third quarter. In January, however, total employment climbed by a strong 13,400. Meanwhile, seasonally adjusted nonfarm payroll employment increased more slowly in the fourth quarter, rising by 5,600 after a gain of 7,600 in the third quarter. A bright development was that employment in manufacturing rose modestly in the fourth quarter after suffering large declines in the first three quarters of 1985. Also, employment in trade picked up sharply in the fourth quarter. On the other hand, employment in construction fell in the fourth quarter while employment growth in services and government slowed significantly in the same period. In January, adjusted payroll employment climbed by a healthy 4,000, after much smaller gains in the two previous months. The largest over-the-month increases were in services (1,900), trade (690) and construction (670). Construction employment rose for the first time in January since October while employment in manufacturing increased for the second straight month after declining steadily since February 1985.

Analysis of Local Conditions

MINNEAPOLIS-ST. PAUL MSA

by B. Steuernagel

The Twin Cities area unemployment rate again increased by a greater than usual amount between December and January. Seasonal factors generally cause the unemployment rate to rise by about 0.4 of a percentage point between these months. This year's change of 0.6 of a percentage point was due to a greater than usual increase in the number of unemployed workers.

Year ago comparisons show that the current unemployment rate continues to be at the same level or higher than a year ago for the sixth consecutive month. The greatest increases in the joblessness rate over the past year have occurred in the northern and southwestern suburban counties. This can be generally attributed to layoffs in the durable goods manufacturing industries located in the western half of the Twin Cities metropolitan area.

There were about 27,000 more nonagricultural wage and salary jobs in the Twin Cities area in January 1986 than a year earlier. There were more jobs in each major industry category with the exception of manufacturing and communication/public utilities. Retail trade and service firms accounted for about half of the growth. Restaurants, automobile dealers, home furnishings stores led the way in retail hiring activity, while in the service sector most of the new jobs were added personal, repair, and legal services. Notably, both business and health services showed only modest growth in 1985. Health service job growth took place almost entirely outside of hospitals and nursing homes, while the sluggish economy cut into business services growth, particularly temporary employment services.

While the number of jobs added to the payroll in transportation, construction, finance/insurance/real estate, and construction was not as great as the trade and service sectors, the rate of growth in the former industries was more impressive. In the transportation industry most new job growth took place in the airlines industry. Low interest rates and increased sales created greater demand for workers in both finance and real estate firms. The lower interest rates also aided the construction industry during 1985.

The local manufacturing sector had about 7,000 fewer jobs in January 1986 than a year ago. While the loss of jobs was fairly widespread, the brunt of the loss was felt in the electrical machinery/electronic components, and computer industries.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Jan. 1986	Dec. 1985	Jan. 1985	Jan. 1986	Dec. 1985	Jan. 1985	Cur. Mo.	Mo. Ago	Yr. Ago
Minneapolis-St. Paul MSA*	1,307,964	1,325,905	1,283,099	72,336	65,592	65,225	5.5	4.9	5.1
REGION 11	1,211,388	1,228,993	1,189,356	64,012	58,397	58,018	5.3	4.8	4.9
Anoka	124,501	126,334	121,975	7,671	7,140	6,779	6.2	5.7	5.6
Carver	23,081	23,305	22,551	1,325	1,109	1,099	5.7	4.8	4.9
Dakota	125,450	126,782	123,489	7,162	6,100	6,854	5.7	4.8	5.6
Hennepin	564,577	573,567	553,831	27,475	25,596	24,236	4.9	4.5	4.4
Ramsey	273,413	277,430	268,992	14,299	13,072	13,500	5.2	4.7	5.0
Scott	28,372	28,634	27,679	2,268	2,001	1,940	8.0	7.0	7.0
Washington	71,994	72,941	70,839	3,812	3,379	3,610	5.3	4.6	5.1
Chisago*	16,815	16,881	16,348	1,541	1,298	1,288	9.2	7.7	7.9
Isanti*	15,001	15,083	14,584	1,252	1,056	1,027	8.3	7.0	7.0
Wright*	37,806	37,951	36,900	3,482	2,932	3,056	9.2	7.7	8.3
St. Croix, WI	26,954	26,997	25,911	2,049	1,909	1,836	7.6	7.1	7.1
Bloomington	49,098	49,755	47,939	2,504	2,218	1,996	5.1	4.5	4.2
Minneapolis	209,413	212,953	205,356	10,947	10,471	9,665	5.2	4.9	4.7
St. Paul	156,325	158,520	154,055	9,053	8,268	8,842	5.8	5.2	5.7

* Chisago, Isanti and Wright counties are a part of the Minneapolis/St. Paul-MN-WI MSA, but are included in Region 7.

Analysis of Local Conditions

MPLS-ST. PAUL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Jan. 1986	Dec. 1985	Jan. 1985	Dec. 1985	Jan. 1985	Jan. 1986	Jan. 1985	Jan. 1986	Jan. 1985	Jan. 1986	Jan. 1985
Total Nonagricultural	1210.4	1232.2	1183.4	-1.8	2.3						
Manufacturing	252.5	254.6	260.2	-0.8	-3.8	456.21	430.09	11.10	10.48	41.1	41.0
Durable Goods	160.5	161.9	166.8	-0.8	-3.8	470.53	436.35	11.15	10.33	42.2	42.2
Lumber and Furniture	5.0	5.0	5.2	-0.4	-4.6	477.30	427.81	12.90	11.19	37.0	38.2
Stone, Clay and Glass	2.5	2.8	2.7	-10.2	-8.0	369.85	369.02	11.38	10.11	32.5	36.4
Primary Metals	4.9	4.8	4.8	2.3	2.0	388.67	390.71	9.06	9.14	42.9	42.6
Fabricated Metals	29.5	29.9	28.9	-1.2	2.2	508.04	479.52	11.87	11.38	42.8	42.0
Nonelectrical Machinery	66.3	66.6	74.0	-0.4	-10.4	495.86	473.70	11.64	10.54	42.6	44.8
Office and Computing	34.8	35.1	39.4	-0.8	-11.5	534.10	523.62	12.25	10.72	43.6	48.8
Electrical Machinery	15.9	16.2	18.5	-2.4	-14.2	350.47	307.23	8.74	7.97	40.1	38.5
Transportation Equipment	4.7	4.6	3.3	1.6	41.3	728.28	481.18	14.45	13.04	50.4	36.9
Scientific Instruments	25.6	25.5	24.1	0.2	6.1	434.78	414.41	10.23	10.01	42.5	41.4
Miscellaneous Manufacturing	4.0	4.3	3.4	-6.9	18.4	389.30	377.72	9.16	9.84	42.5	38.0
Nondurable Goods	92.0	92.7	93.4	-0.7	-1.5	433.40	420.42	11.00	10.77	39.4	38.9
Food and Kindred	17.5	17.6	18.0	-0.8	-2.8	434.06	391.48	10.51	9.68	41.3	40.3
Textiles and Apparel	1.8	1.8	2.2	0.3	-18.4	211.20	242.85	6.23	6.69	33.9	36.2
Paper and Allied	25.3	25.8	25.8	-1.8	-2.0	475.78	464.96	11.52	11.14	41.3	41.7
Printing and Publishing	30.5	30.4	29.8	0.3	2.3	410.31	417.24	11.18	11.59	36.7	36.0
Chemicals and Petroleum	8.4	8.6	8.2	-1.7	2.4	512.95	486.75	12.39	12.22	41.4	39.7
Rubber, Plastic and Leather	8.5	8.5	9.3	-0.2	-9.0	382.71	357.63	9.64	9.09	39.7	39.2
Nonmanufacturing	957.9	977.6	923.2	-2.0	3.8						
Mining											
Metal Mining											
Construction	41.6	45.6	39.0	-8.7	6.7	600.51	618.97	16.23	16.55	37.0	37.3
Transport., Comm., & Pub. Util.	68.6	68.9	65.3	-0.5	5.0						
Transportation	47.1	47.3	43.5	-0.4	8.4						
Trucking and Warehousing	16.4	17.0	15.1	-3.5	8.3	375.97	389.03	12.92	12.34	29.1	31.4
Communication and Public Util.	21.5	21.6	21.8	-0.6	-1.7	512.07	522.97	13.37	13.13	38.3	39.8
Trade	299.9	309.4	290.5	-3.0	3.2	250.80	236.67	8.25	8.05	30.4	29.3
Wholesale	78.3	78.7	78.0	-0.5	0.4	428.93	385.39	10.75	10.35	39.9	37.1
Retail	221.6	230.7	212.5	-3.9	4.3	196.90	189.85	7.16	7.05	27.5	26.9
Building Materials	9.1	9.5	8.8	-3.7	3.4	337.59	343.76	9.30	9.47	36.3	36.2
General Merchandise	37.3	40.2	37.2	-7.2	0.4	174.05	174.26	6.72	6.36	25.9	27.3
Food Stores	26.5	27.1	25.8	-2.3	2.5	239.97	239.04	8.43	8.29	28.5	28.7
Automotive	22.6	22.8	21.4	-1.0	5.7	424.39	364.05	9.41	9.75	45.1	37.2
Apparel	11.6	12.4	11.7	-6.5	-1.1	99.65	121.45	5.11	5.34	19.5	22.7
Home Furnishings	10.5	10.6	9.4	-0.5	11.5	225.46	254.73	7.32	7.78	30.8	32.6
Eating and Drinking	74.0	76.3	69.5	-3.0	6.5	108.93	94.66	5.02	4.63	21.7	20.3
Fin., Insur., Real Est.	86.8	86.4	82.0	0.4	5.8	374.36	317.34	8.85	8.60	42.3	36.8
Finance	36.7	36.4	35.5	0.7	3.4	472.34	327.96	11.14	9.01	42.4	36.4
Insurance	34.6	34.6	32.7	-0.1	5.6	282.44	358.63	6.63	8.78	42.6	40.7
Real Estate	15.5	15.4	13.8	0.9	12.4	211.00	206.42	7.01	6.94	30.1	29.6
Services	295.0	300.0	286.1	-1.7	3.1						
Personal Services	15.6	15.4	14.5	1.1	7.2						
Business Services	67.5	70.4	65.7	-4.1	2.7						
Repair Services	14.5	14.6	13.6	-0.7	6.3						
Health Services	79.1	79.6	77.8	-0.7	1.7						
Hospitals	29.2	29.6	29.3	-1.1	-0.3						
Nursing Homes	21.7	21.6	21.8	0.2	-0.6						
Legal Services	9.6	9.4	9.0	1.9	6.0						
Private Education	16.1	16.7	15.9	-3.9	1.2						
Government	166.0	167.3	160.2	-0.8	3.6						
Federal	19.3	19.3	18.2	-0.1	5.9						
State	50.6	50.0	49.9	1.3	1.4						
Education	28.1	27.5	26.7	2.1	4.9						
Local	96.1	98.0	92.1	-2.0	4.3						
Education	51.2	53.0	48.7	-3.5	5.2						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Analysis of Local Conditions

CENTRAL AND NORTHWEST MINNESOTA

By Ron Daws

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Jan. 1986	Dec. 1985	Jan. 1985	Jan. 1986	Dec. 1985	Jan. 1985	Jan. 1986	Dec. 1985	Jan. 1985
St. Cloud MSA 1/	**84760**	**84321**	**85410**	**7498**	**6495**	**8417**	**8.8**	**7.7**	**9.9**
REGION 1	**40574**	**40948**	**41016**	**5423**	**4802**	**5845**	**13.4**	**11.7**	**14.3**
Kittson	2756	2748	2861	414	336	394	15.0	12.2	13.8
Marshall	5244	5235	5409	1198	1007	1177	22.8	19.2	21.8
Norman	3634	3583	3652	414	337	394	11.4	9.4	10.8
Pennington	6065	6110	6117	767	692	787	12.6	11.3	12.9
Polk	14350	14465	14541	1631	1531	1632	11.4	10.6	11.2
Red Lake	2069	2135	2096	493	469	459	23.8	22.0	21.9
Rosseau	6456	6662	6340	506	430	1002	7.8	6.5	15.8
REGION 2	**30591**	**30971**	**30733**	**4286**	**3754**	**4330**	**14.0**	**12.1**	**14.1**
Beltrami	16565	16594	16304	1794	1611	1887	10.8	9.7	11.6
Clearwater	3767	3723	3824	1054	833	1003	28.0	22.4	26.2
Hubbard	5813	6174	6204	877	799	888	15.1	12.9	14.3
Lake of Woods	2150	2169	2013	208	202	200	9.7	9.3	9.9
Mahnomen	2296	2311	2388	353	309	352	15.4	13.4	14.7
REGION 4	**97655**	**96291**	**95413**	**10091**	**8052**	**10326**	**10.3**	**8.4**	**10.8**
Becker	11791	11906	12068	2043	1287	2204	17.3	10.8	18.3
Clay	28188	26972	26577	2015	1718	1979	7.1	6.4	7.4
Douglas	13826	14263	13513	1313	1188	1234	9.5	8.3	9.1
Grant	3306	3140	3094	340	288	321	10.3	9.2	10.4
Otter Tail	23608	23780	24033	2823	2241	3115	12.0	9.4	13.0
Pope	4741	4747	4670	593	503	515	12.5	10.6	11.0
Stevens	5450	5534	5436	424	355	416	7.8	6.4	7.7
Traverse	2310	2353	2419	206	193	231	8.9	8.2	9.5
Wilkin	3535	3596	3603	334	279	311	9.4	7.8	8.6
REGION 5	**55944**	**56976**	**56707**	**7347**	**6466**	**7660**	**13.1**	**11.3**	**13.5**
Cass	9135	9563	9271	1553	1400	1507	17.0	14.6	16.3
Crow Wing	19403	19967	19431	2284	2050	2403	11.8	10.3	12.4
Morrison	12932	12984	13298	1735	1498	1934	13.4	11.5	14.5
Todd	9859	9782	10038	1163	994	1202	11.8	10.2	12.0
Wadena	4615	4680	4669	612	524	614	13.3	11.2	13.2
REGION 6E	**51191**	**51973**	**50663**	**5716**	**4968**	**5378**	**11.2**	**9.6**	**10.6**
Kandiyohi	9135	9563	9271	1553	1400	1507	17.0	14.6	16.3
McLeod	19403	19967	19431	2284	2050	2403	11.8	10.3	12.4
Meeker	9038	8853	8321	1532	1226	1106	16.9	13.8	13.3
Renville	9502	9744	9590	1125	1004	1200	11.8	10.5	12.5
REGION 7E	**55401**	**55643**	**54411**	**6359**	**5859**	**5716**	**11.5**	**10.5**	**10.5**
Chiscago	16815	16881	16398	1541	1298	1288	9.2	7.7	7.9
Isanti	15001	15083	14584	1252	1506	1027	8.3	10.0	7.0
Kanabec	5836	5800	5471	830	758	848	14.2	13.1	15.5
Mille Lacs	8571	8696	8878	1098	961	1106	12.8	11.1	12.5
Pine	9258	9183	9130	1638	1336	1447	17.7	14.5	15.8
REGION 7W	**122566**	**122272**	**122310**	**10980**	**9427**	**11473**	**9.0**	**7.7**	**9.4**
Benton	13109	13070	13137	1194	1068	1263	9.1	8.2	9.6
Sherburne	16508	16360	16360	1766	1510	1671	10.7	9.2	10.2
Stearns	55143	54891	55911	4538	3917	5483	8.2	7.1	9.8
Wright	37806	37951	36900	3482	2932	3056	9.2	7.7	8.3

1/ Benton, Stearns, and Sherburne Counties

ST. CLOUD MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	Jan. 1986	Dec. 1985	Jan. 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	61781	63411	59925	-0.3	3.1
Total Manufacturing	10955	10857	10255	0.1	6.8
Durable Goods	5937	5925	5878	0.2	1.0
Nondurable Goods	5018	4932	4377	1.7	14.6
Total Nonmanufacturing	51324	52554	49670	-2.3	3.4
Construction	2104	2573	2194	-18.2	-4.1
Transp., Comm. & Pub. Util.	3684	3669	3603	0.4	2.2
Wholesale Trade	3201	3201	2964	0.0	8.0
Retail Trade	14537	14855	14506	-2.1	0.2
Finance, Insur. & Real Estate	2211	2204	2095	0.3	5.5
Service & Miscellaneous	13008	13460	12581	-3.4	3.4
Government	12579	12592	11790	-0.1	6.7

The number of jobless and the unemployment rate for the St. Cloud MSA increased in January, 1986 over December, 1985, but this was basically seasonal. Over the year, however, there were 919 fewer jobless workers during January, 1986 than during January, 1985, which brought the rate down to 8.8 percent during January, 1985. Meanwhile from January to January, there were about 270 more jobs.

Among the nonagricultural wage and salary industries, Nondurable Gooods Manufacturing employed people in nearly 15 percent more jobs this January than last, and eight percent more jobs in Wholesale Trade. Services, which employs about one in five workers in the St. Cloud MSA, continues to gradually claim a largerproportion of the jobs. Finance, Insurance, and Real Estate (F.I.R.E.) gained another five and a half percent, while Construction's decline has occurred since December 1985 when the winter season claimed nearly one in five jobs.

The table below summarized monthly labor force trends during 1984 and 1985.

St Cloud MSA Labor Force*

	1984		1985	
	LF	Unemp. Rate	LF	Unemp. Rate
J	77794	10.2	85410	9.9
F	77896	9.8	85832	9.9
M	77990	9.5	85334	9.3
A	79652	8.0	85387	8.1
M	80263	6.8	85635	6.6
J	81348	7.0	85980	6.8
J	81231	7.3	85714	6.4
A	80043	7.2	85819	5.9
S	80208	6.5	84676	5.5
O	81708	6.9	85295	5.5
N	81772	8.1	85356	7.6
D	81452	9.5	84321	7.7
A.A.	80113	8.0	85397	7.4

*The number unemployed can be calculated by multiplying the unemployment rate by the labor force, and employment can be derived by subtracting unemployment from the labor force.

Analysis of Local Conditions

NORTHEAST MINNESOTA

By M. Casey

If one were to judge the economy of northeastern Minnesota solely on the basis of the estimated number of persons out of work in January 1986, compared with one year ago, a clear picture of improving economic conditions emerges. Some 4,100 fewer residents were looking for work this past January, and the rate of unemployment has fallen from 17.5 percent to 15.5 percent.

An analysis of the other component of the labor force series, however, fogs up this rosy picture. The estimated number of jobs has declined by nearly 4,300 positions. Frustration over employment prospects throughout the region has undoubtedly led to some jobseekers migrating to other parts of the state or nation, while some others have simply stopped looking for work, thereby joining the group labelled "discouraged workers" who are no longer part of the labor force.

NOTE: Both data series appearing on this page have recently been "benchmarked", or revised. These end-of-the-year revisions incorporate updated information which replaces data that had previously been estimated. Revisions of the "Duluth and Duluth-Superior Nonagricultural Wage and Salary Employment" series are now available for 1984 and 1985. Revisions for both areas' "Labor Force Estimates" series are available for 1985; 1984 data should be ready soon. Readers interested in these updated series should call (612) 296-3324.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Jan. 1986	Dec. 1985	Jan. 1985	Jan. 1986	Dec. 1985	Jan. 1985	Jan. 1986	Dec. 1985	Jan. 1985
REGION 3	**133,154**	**136,433**	**141,580**	**20,659**	**20,036**	**24,799**	**15.5**	**14.7**	**17.5**
Aitkin	5,362	5,501	5,475	932	836	1,169	17.4	15.2	21.4
Carlton	11,001	11,136	11,637	1,790	1,597	1,567	16.3	14.3	13.5
Cook	2,412	2,438	2,476	256	228	323	10.6	9.4	13.0
Itasca	17,015	17,438	17,951	2,814	2,685	3,046	16.5	15.4	17.0
Koochiching	7,916	7,976	9,055	948	949	1,584	12.0	11.9	17.5
Lake	4,241	4,133	4,282	836	699	773	19.7	16.9	18.1
St. Louis	85,207	87,811	90,704	13,083	13,042	16,337	15.4	14.9	18.0
Duluth Only	**32,569**	**32,867**	**33,486**	**3,135**	**2,353**	**3,137**	**9.6**	**7.2**	**9.4**
Balance St. Louis	**52,638**	**54,944**	**57,218**	**9,948**	**10,689**	**13,200**	**18.9**	**19.5**	**24.0**

DULUTH AND DULUTH-SUPERIOR MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	Jan. 1986	Dec. 1985	Jan. 1985	Mo. Ago	Yr. Ago	Jan. 1986	Dec. 1985	Jan. 1985	Mo. Ago	Yr. Ago
Total Nonagricultural Wage & Salary	**40,530**	**41,990**	**39,710**	**-3.5**	**2.1**	INFORMATION NOT AVAILABLE				
Total Manufacturing	**3,430**	**3,640**	**3,410**	**-5.8**	**0.6**					
Durable Goods	1,520	1,620	1,690	-6.2	-10.1					
Nondurable Goods	1,910	2,020	1,720	-5.4	11.0					
Total Nonmanufacturing	**37,110**	**38,350**	**36,300**	**-3.2**	**2.2**					
Construction	730	950	930	-23.1	-21.5					
Trans., Comm., Pub. Util.	2,730	3,130	2,540	-12.8	7.5					
Wholesale Trade	1,680	1,730	1,700	-2.9	-1.2					
Retail Trade	8,940	9,410	8,980	-5.0	-0.4					
Finan., Insur., & Real Est.	1,730	1,740	1,730	-0.6	0.0					
Services, Mining, & Miscel.	11,540	11,600	11,050	-0.5	4.4					
Government	9,750	9,790	9,370	-0.3	4.1					

Analysis of Local Conditions

SOUTHERN MINNESOTA

By M. Casey

LABOR FORCE ESTIMATES									
AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Jan. 1986	Dec. 1985	Jan. 1985	Jan. 1986	Dec. 1985	Jan. 1985	Jan. 1986	Dec. 1985	Jan. 1985
REGION 6W	**25,611**	**26,207**	**27,147**	**2,713**	**2,457**	**3,139**	**10.6**	**9.4**	**11.6**
Big Stone	3,299	3,377	3,478	306	251	324	9.3	7.4	9.3
Chippewa	6,533	6,683	7,015	743	684	958	11.4	10.2	13.7
Lac Qui Parle	4,385	4,419	4,676	399	362	462	9.1	8.2	9.9
Swift	5,437	5,543	5,853	684	640	762	12.6	11.5	13.0
Yellow Medicine	5,957	6,185	6,125	581	520	633	9.8	8.4	10.3
REGION 8	**62,105**	**63,402**	**64,007**	**5,573**	**4,931**	**5,693**	**9.0**	**7.8**	**8.9**
Cottonwood	5,979	6,035	6,224	550	510	602	9.2	8.5	9.7
Jackson	6,210	6,217	6,192	677	636	459	10.9	10.2	7.4
Lincoln	3,336	3,390	3,601	337	281	404	10.1	8.3	11.2
Lyon	12,885	13,359	13,695	1,161	1,067	1,478	9.0	8.0	10.8
Murray	4,740	4,802	5,044	561	468	666	11.8	9.7	13.2
Nobles	10,599	10,784	10,839	893	760	836	8.4	7.0	7.7
Pipestone	5,443	5,618	5,594	306	293	342	5.6	5.2	6.1
Redwood	8,463	8,719	8,205	805	675	663	9.5	7.7	8.1
Rock	4,450	4,478	4,613	283	241	243	6.4	5.4	5.3
REGION 9	**108,334**	**110,653**	**108,519**	**9,108**	**8,181**	**8,774**	**8.4**	**7.4**	**8.1**
Blue Earth	27,036	27,641	27,260	1,719	1,686	1,721	6.4	6.1	6.3
Brown	13,406	13,637	13,402	1,282	1,029	1,246	9.6	7.5	9.3
Faribault	8,785	8,993	8,726	1,029	761	878	11.7	8.5	10.1
Le Sueur	10,629	10,911	10,245	1,297	1,171	1,233	12.2	10.7	12.0
Martin	12,077	12,369	12,280	1,057	953	962	8.8	7.7	7.8
Nicollet	14,384	14,643	14,469	925	844	892	6.4	5.8	6.2
Sibley	7,053	7,115	7,255	734	729	765	10.4	10.2	10.5
Waseca	9,388	9,586	9,010	681	672	614	7.3	7.0	6.8
Watonwan	5,576	5,758	5,872	384	336	463	6.9	5.8	7.9
REGION 10	**214,676**	**215,897**	**211,693**	**17,854**	**14,935**	**16,439**	**8.3**	**6.9**	**7.8**
Dodge	7,552	7,733	7,326	924	760	817	12.2	9.8	11.2
Fillmore	10,271	10,265	10,372	1,166	978	1,234	11.4	9.5	11.9
Freeborn	16,899	16,983	16,765	1,604	1,294	1,406	9.5	7.6	8.4
Goodhue	19,812	20,069	19,787	1,490	1,428	1,514	7.5	7.1	7.7
Houston	8,883	9,063	9,274	746	674	787	8.4	7.4	8.5
Mower	19,990	19,194	19,000	2,071	1,238	1,378	10.4	6.4	7.3
Olmsted	57,942	58,338	57,351	3,276	2,929	3,059	5.7	5.0	5.3
Rice	25,924	26,122	24,801	2,342	2,026	2,060	9.0	7.8	8.3
Steele	14,441	14,536	14,458	1,250	1,005	1,171	8.7	6.9	8.1
Wabasha	8,596	8,777	8,741	1,055	961	1,014	12.3	10.9	11.6
Winona	24,366	24,817	23,818	1,930	1,642	1,999	7.9	6.6	8.4
Rochester City	**35,216**	**35,441**	**34,762**	**2,188**	**1,964**	**1,960**	**6.2**	**5.5**	**5.6**

ROCHESTER MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT					
INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	Jan. 1986	Dec. 1985	Jan. 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	**54990**	**55730**	**53900**	**-1.3**	**2.0**
Total Manufacturing	**10720**	**10740**	**11020**	**-0.2**	**-2.7**
Durable Goods	8870	8910	9320	-0.4	-4.8
Nondurable Goods	1850	1830	1700	0.9	9.1
Total Nonmanufacturing	**44265**	**44990**	**42890**	**-1.6**	**3.2**
Construction & Mining	1510	1680	1540	-10.2	-1.9
Transp., Comm., & Pub. Util.	1760	1810	1840	-2.8	-4.2
Wholesale Trade	1210	1240	1200	-1.8	1.4
Retail Trade	10310	10710	9940	-3.8	3.7
Fin., Insur., & Real Estate	1540	1550	1450	-0.3	6.4
Total Services	22150	22270	21420	-0.5	3.4
Health Services	15340	15340	15040	0.0	2.0
Other Services	6810	6940	6380	-1.8	6.7
Government	5780	5730	5510	0.8	4.9

Recent labor force estimates provided some puzzling signals for January, compared with one year ago. Employment levels were down in three of four regions in southern Minnesota, while unemployment increased in two of the regions. While it is logical to assume that an indirect relationship exists between these economic indicators, it is not definite that as one increases the other will decrease.

The puzzling aspect of this data series, however, is that the regions with the strongest declines in employment (6-W and 8), also recorded the strongest declines in unemployment. On the other hand, Region 10, with a relatively mild increase in employment, recorded a rather large increase in unemployment. These movements may indicate that more people from rural areas are either dropping out of the labor force, or are moving to more urban areas to seek work.

NOTE: Both data series appearing on this page have recently been "benchmarked", or revised. These end-of-the-year revisions incorporate updated information which replaces data that had previously been estimated. Revisions of the "Rochester MSA Nonagricultural Wage and Salary Employment" series are now available for 1984 and 1985. Revisions for the "Labor Force Estimates" series are available for 1985; 1984 data should be ready soon. Readers interested in these updated series should call (612) 296-3324.

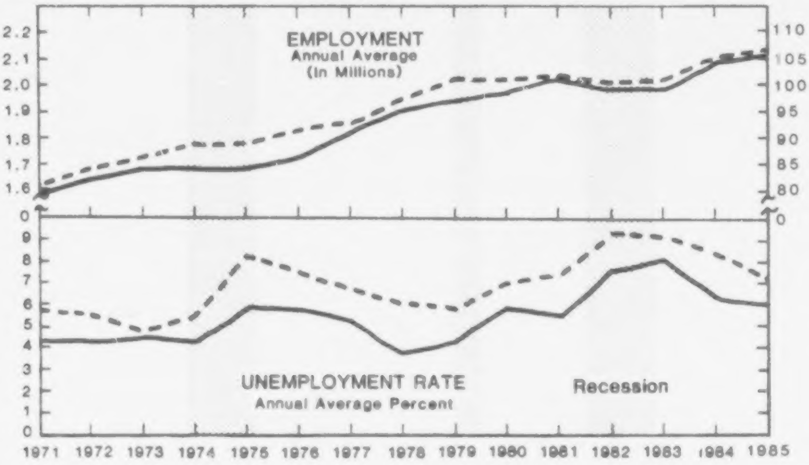
Labor Force Statistics

Labor Force Estimates	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	January 1986	Change From		January 1986	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2208.4	-28.3	14.6	115.4	-0.3	2.0
Employed	2038.3	-46.5	12.1	106.9	-1.1	2.6
Unemployed	170.1	18.2	2.5	8.5	0.8	-0.6
Unemployment Rate						
Actual	7.7	0.9	0.1	7.3	0.6	-0.7
Seasonally Adjusted	6.4	0.3	0.0	6.7	-0.2	-0.7

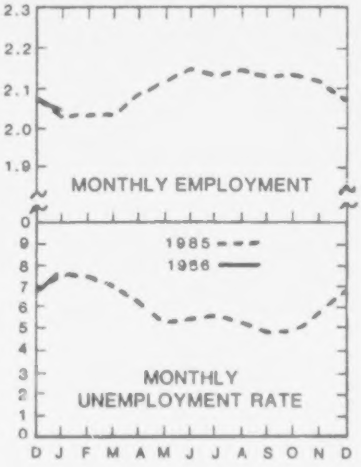
Historical Labor Force Series

Year	Minnesota (Annual Average in Thousands)				United States (Annual Average in Millions)			
	Labor Force	Employment	Unemployment		Labor Force	Employment	Unemployment	
			Number	Rate			Number	Rate
1970	1625.0	1557.0	68.0	4.2	82.8	78.7	4.1	4.9
1971	1664.0	1592.0	73.0	4.4	84.4	79.4	5.0	5.9
1972	1704.0	1630.0	73.0	4.3	87.0	82.2	4.9	5.6
1973	1766.0	1686.0	80.0	4.5	89.4	85.1	4.4	4.9
1974	1769.0	1691.0	77.0	4.3	91.9	86.8	5.2	5.6
1975	1790.0	1684.0	106.0	5.9	93.8	85.8	7.9	8.5
1976	1850.0	1740.0	109.0	5.9	96.2	88.8	7.4	7.7
1977	1909.0	1811.0	98.0	5.1	99.0	92.0	7.0	7.1
1978	1979.0	1903.0	76.0	3.8	102.3	96.0	6.2	6.1
1979	2039.0	1954.0	85.0	4.2	105.0	98.8	6.1	5.8
1980	2111.0	1985.0	125.0	5.9	106.9	99.3	7.6	7.1
1981	2154.0	2035.0	119.0	5.5	108.7	100.4	8.3	7.6
1982	2167.0	1998.0	170.0	7.8	110.2	99.5	10.7	9.7
1983	2176.0	1998.0	178.0	8.2	111.6	100.8	10.7	9.6
1984	2229.0	2088.0	141.0	6.3	113.5	105.0	8.5	7.5
1985	2234.0	2101.0	133.0	6.0	115.5	108.0	8.3	7.2

MN and the U.S., Employment & Unemployment Rate



MN, 1985 and 1986



Labor Market Conditions

The table and graphs in this section describe the behavior of the market for labor services in terms of its quantity, price, and supply. The quantity of labor services, which is the number of employed persons, is classified by industry. The price of labor services is roughly indicated by the industry wage. Unemployment estimates provide a qualified measure of excess labor supply. The degree to which persons participate in the labor market and the effectiveness of the market in utilizing labor services are indicated by Labor Force Estimates and by Other Rates of Labor Utilization.

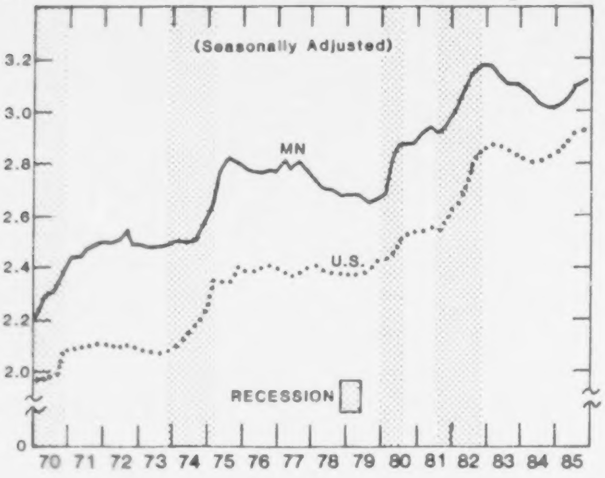
Labor Force & Establishment Data	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Thousands)		
	IV QTR. 1985	Percent Change from		IV QTR. 1985	Percent Change from	
		Last Qtr.	Year Ago		Last Qtr.	Year Ago
Labor Force Estimates						
Total Labor Force						
Actual	2247.3	0.2	-0.9	116074	-0.5	1.7
Seasonally Adjusted	2254.9	1.9	-0.9	116158	0.6	1.7
Employment						
Actual	2103.8	-1.0	-1.2	108258	-0.2	2.0
Seasonally Adjusted	2104.4	1.0	-1.2	107996	0.7	1.9
Unemployment						
Actual	143.5	22.9	4.1	7816	-5.1	-1.6
Seasonally Adjusted	150.5	14.8	3.9	8162	-1.3	-1.4
Unemployment Rates						
Actual	6.4	23.1	4.9	6.7	-5.6	-4.3
Seasonally Adjusted	6.7	13.6	4.7	7.0	-2.8	-2.8
Other Rates of Labor Utilization						
Participation Rt. (Labor Force/Population (16+)	70.0	1.6	-1.8	64.9	0.3	0.6
Full Employment Deficit - Percent of Workers1/	2.4	1.2	2.1	2.7	3.1	3.0
Manpower Utilization Rate2/	83.4	-0.1	-0.2	83.1	0.2	0.1
Nonagricultural Wage & Salary Positions						
Employment*	1888.7	0.4	1.4	98785	0.8	3.1
Mining	9.0	1.1	1.1	955	-1.0	-2.3
Construction	72.6	-1.1	1.1	4755	1.4	7.3
Manufacturing	372.7	-0.7	-2.1	19377	0.2	-1.0
Durables	223.0	-0.9	-3.0	11508	0.1	-1.4
Nondurables	149.7	-0.4	-0.7	7869	0.4	-0.3
Trans., Comm., & Public Utilities	99.1	-0.7	1.7	5342	0.8	2.1
Trade	478.1	0.7	1.2	23466	0.7	3.8
Fin., Ins., & Real Estate	111.5	0.7	3.8	6041	1.4	5.0
Services	444.3	0.8	3.5	22358	1.4	5.6
Government	301.4	1.4	2.6	16491	0.7	2.4
Average Weekly Hours*						
Mining	39.7	2.3	2.8	43.5	0.5	-0.2
Construction	38.3	1.6	-0.3	37.5	-0.5	-0.8
Manufacturing	40.0	-1.0	-0.7	40.8	0.7	0.7
Durables	40.6	-0.7	-1.2	41.4	0.5	0.2
Nondurables	39.3	-0.8	1.6	40.0	1.0	1.3
Trans., Comm., & Public Utilities	37.4	2.2	-0.3	39.5	0.3	0.5
Trade	30.0	0.3	0.3	31.7	-0.3	-1.2
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	36.4	0.3	-0.3
Services	n.a.	n.a.	n.a.	32.8	0.0	0.0
Average Hourly Wage						
Mining	12.58	-0.6	-1.6	12.03	0.8	3.4
Construction	15.42	-0.3	1.2	12.32	0.5	1.0
Manufacturing	10.21	1.9	3.5	9.62	1.1	3.4
Durables	10.47	1.6	4.5	10.22	1.2	3.7
Nondurables	9.86	2.3	2.5	8.76	0.7	3.1
Trans., Comm., & Public Utilities	12.00	1.0	2.7	11.54	1.1	2.7
Trade	7.63	0.7	2.0	6.92	0.7	2.1
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	8.09	2.0	4.8
Services	n.a.	n.a.	n.a.	8.12	2.5	4.5

1/ Four percent is a generally agreed upon criteria for measuring full employment. It allows for the movement of persons between jobs. Labor Force Unemployment Rate less four percent, based on official estimates.

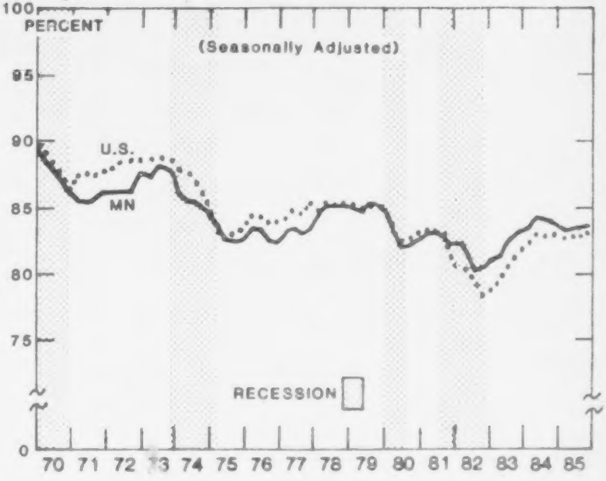
2/ Estimated worker hours expended in nonfarm payroll employment as a percent of potential worker hours assuming that each member of the nonfarm labor payroll labor force was employed at a standard rate of 40 hours per week.

Labor Market Conditions

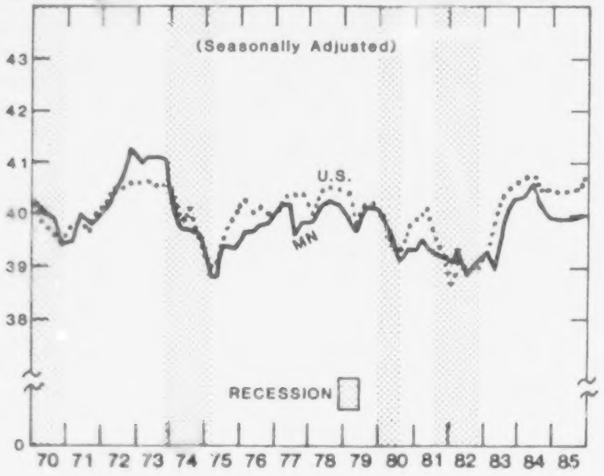
Ratio of Services to Goods Producing Jobs



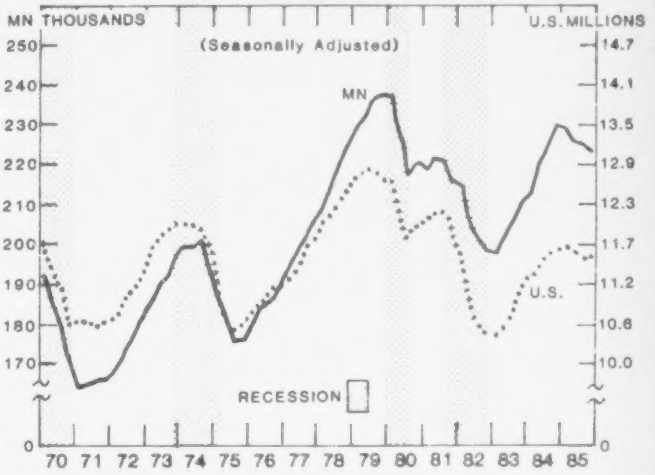
Manpower Utilization Rate



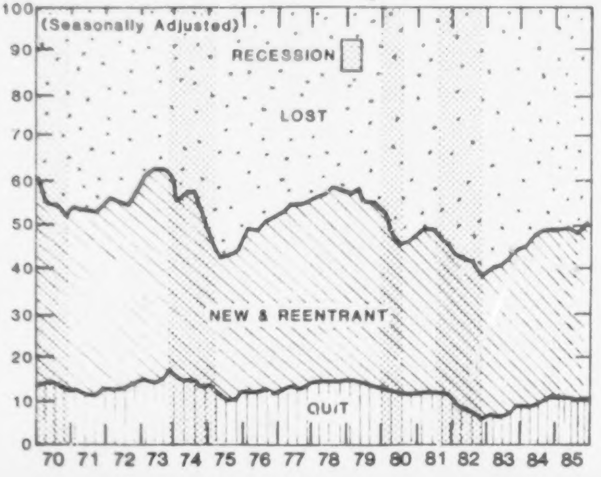
Average Weekly Hours, Manufacturing



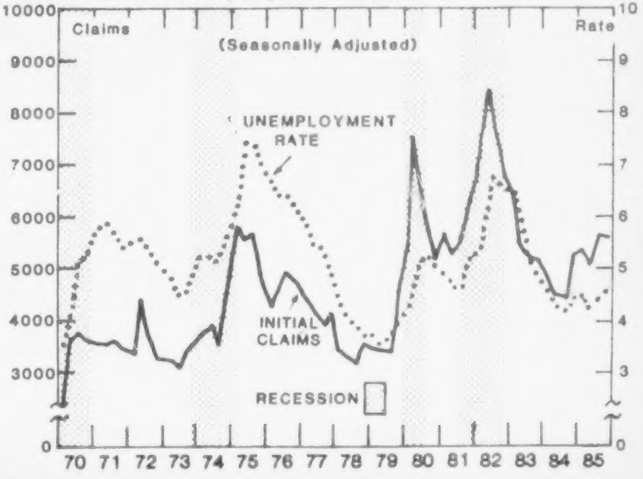
Manufacturing Employment, Durable Goods



U.S. Unemployment: Percent Distribution by Reason



MN Weekly Initial Claims & Handbook Unemployment Rate



Labor Market Conditions

The Table below provides data on persons who file claims for unemployment compensation in Minnesota. Only those claiming benefits from the regular State program are represented, since data on the characteristics of Federal employees and veterans are not available, and data on those receiving benefits from extended programs is reported only when those programs are in effect. If those receiving extended benefits were included they would distort the numerical comparisons over time, but would not substantially change the percentage distributions other than to increase the proportion of long-term unemployed.

Persons Claiming Benefits	FOURTH QUARTER 1985			JANUARY 1986			
	Number	Percent Change From		Number	Percent Change From		Percent Long Term
		Last Qtr.	Year Ago		Month Ago	Year Ago	
By Age & Sex							
Male	29754	47.4	22.5	52423	19.3	2.3	10.1
Under 45	23059	47.0	20.7	40304	18.0	1.6	9.6
16-24	5178	64.7	9.7	9337	20.1	-2.2	7.4
25-34	11368	43.4	20.4	19889	18.8	1.6	9.7
35-44	6513	41.3	31.8	11078	14.8	5.1	11.2
45 and Over	6695	48.5	29.0	12119	23.7	4.8	12.0
45-54	3826	51.7	27.6	6930	22.2	2.9	11.1
55 and Over	2869	44.5	31.0	5189	25.7	7.5	13.3
Female	12110	-6.1	18.8	15060	13.3	7.6	19.6
Under 45	9088	-5.6	19.2	11125	11.9	7.6	19.2
16-24	2056	1.7	12.1	2621	14.1	0.7	14.6
25-34	4180	-7.5	17.9	5068	12.0	7.3	20.4
35-44	2852	-7.6	27.1	3436	10.2	14.2	20.9
45 and Over	3022	-7.4	17.4	3935	17.2	7.5	20.6
45-54	1735	-8.7	18.4	2240	18.0	9.4	19.2
55 and Over	1287	-5.7	16.1	1695	16.3	5.1	22.4
By Industry	41864	26.6	21.4	67483	17.9	3.5	12.2
Ag., For., Fish.	1006	276.8	18.1	2202	20.7	10.4	3.9
Mining	2322	79.7	-9.9	3708	-18.1	-32.2	3.8
Construction	7801	224.1	14.5	20664	34.0	5.1	2.1
Manufacturing	14429	5.1	58.0	18256	13.6	9.7	20.9
Pub. Utilities	1544	15.0	3.7	2890	36.2	-6.4	10.4
Wholesale Trade	2557	7.5	13.9	3472	13.5	1.2	18.1
Retail Trade	4005	9.6	16.3	5830	22.3	18.9	17.6
Fin., Ins., Real Est.	968	5.7	-13.6	1126	6.7	-6.1	24.8
Services	5758	-4.7	7.7	7250	10.8	9.5	18.5
Public Admin.	943	59.0	6.4	1246	4.9	0.0	14.7
Inf. Not Available	531	16.2	-9.1	839	23.7	-13.4	1.0
By Occupation	41864	26.6	21.4	67483	17.9	3.5	12.2
Prof., Tech., Mgr.	5676	-6.0	29.8	6485	8.3	27.6	26.4
Clerical	3982	-6.3	16.5	4693	10.6	16.7	23.6
Sales	1585	9.1	25.3	2013	12.8	25.3	22.3
Services	2608	13.6	0.5	3422	10.3	5.6	16.5
Farm., For., Fish.	866	353.4	8.7	1840	16.5	7.8	3.3
Processing	1791	20.2	58.2	3167	52.7	2.7	17.9
Machine Trade	3352	17.1	56.6	4177	8.7	24.1	23.1
Benchwork	5240	1.4	52.1	5967	4.5	4.8	18.0
Structural Work	9352	141.7	15.6	22566	32.1	3.2	3.6
Misc.	7227	38.9	4.2	12945	11.1	-14.3	7.4
Inf. Not Available	185	-28.0	-38.9	208	1.5	-53.3	8.6
By Duration	41864	26.6	21.4	67483	17.9	3.5	
0-14 Weeks	34937	34.1	17.1	59250	19.2	-0.8	
15+ Weeks (Long-Term)	6927	-1.4	49.0	8233	8.9	50.3	

Labor Market Conditions

MINNESOTA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT[1] (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS[2]					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Jan. 1986	Dec. 1985	Jan. 1985	Dec. 1985	Jan. 1985	Jan. 1986	Jan. 1985	Jan. 1986	Jan. 1985	Jan. 1986	Jan. 1985
Total Nonagricultural	1839.6	1885.2	1808.8	-2.4	1.7						
Manufacturing	364.2	368.8	372.7	-1.2	-2.3	420.43	401.76	10.33	9.92	40.7	40.5
Durable Goods	219.0	220.6	227.3	-0.7	-3.7	435.72	409.28	10.55	9.91	41.3	41.3
Lumber and Furniture	16.2	16.3	16.4	-0.6	-1.2	413.98	400.98	11.01	10.33	37.6	38.8
Stone, Clay and Glass	6.2	6.8	6.9	-8.7	-10.2	386.08	369.41	10.52	10.29	36.7	35.9
Primary Metals	6.2	6.1	6.2	2.3	-0.2	390.50	396.93	9.21	9.26	42.4	42.8
Fabricated Metals	36.2	36.4	35.6	-0.5	1.7	478.68	454.37	11.37	10.87	42.1	41.8
Nonelectrical Machinery	85.1	85.4	94.5	-0.4	-10.0	465.09	453.35	11.10	10.28	41.9	44.1
Office and Computing	44.2	44.6	50.2	-0.9	-12.0	516.00	515.84	12.00	10.67	43.0	48.3
Electrical Machinery	27.0	27.6	28.9	-2.2	-6.4	339.44	299.92	8.34	7.73	40.7	38.8
Transportation Equipment	7.5	7.4	6.2	1.9	22.4	604.76	401.39	12.84	10.79	47.1	37.2
Scientific Instruments	28.6	28 5	27.3	0.3	4.8	413.82	403.38	9.90	9.71	41.8	41.4
Miscellaneous Manufacturing	5.9	6.1	5.3	-3.0	11.1	360.93	353.25	8.89	9.37	40.6	37.6
Nondurable Goods	145.3	148.2	145.4	-2.0	-0.1	399.19	389.86	10.03	9.92	39.8	39.3
Food and Kindred	40.6	42.7	42.1	-5.0	-3.7	366.38	349.92	8.98	8.64	40.8	40.5
Textiles and Apparel	4.3	4.4	4.5	-3.8	-5.4	245.23	224.46	6.61	6.45	37.1	34.8
Paper and Allied	32.5	33.0	33.1	-1.3	-1.8	504.98	489.30	11.91	11.54	42.4	42.4
Printing and Publishing	43.9	43.9	42.0	0.0	4.4	383.90	388.80	10.32	10.77	37.2	36.1
Chemicals and Petroleum	10.2	10.3	9.8	-1.4	3.5	467.41	456.44	11.29	11.16	41.4	40.9
Rubber, Plastic and Leather	13.9	13.9	13.8	-0.3	0.4	334.07	323.79	8.61	8.26	38.8	39.2
Nonmanufacturing	1475.4	1516.5	1436.1	-2.7	2.7						
Mining	6.1	6.1	5.2	-0.4	17.9	524.57	490.49	13.59	12.74	38.6	38.5
Metal Mining	4.9	4.6	4.0	7.5	22.7	543.33	510.08	13.79	13.53	39.4	37.7
Construction	57.5	67.7	56.0	-14.9	2.8	579.33	592.76	15.49	15.64	37.4	37.9
Transport., Comm., & Pub. Util.	97.8	99.9	95.8	-2.0	2.1						
Transportation	64.2	65.8	61.8	-2.5	3.8						
Trucking and Warehousing	26.2	27.2	25.2	-3.8	3.7	383.11	388.36	12.24	11.49	31.3	33.8
Communication and Public Util.	33.7	34.0	34.0	-1.1	-1.0	540.17	530.40	13.71	13.26	39.4	40.0
Trade	460.0	479.3	452.2	-4.0	1.7	233.10	219.78	7.77	7.45	30.0	29.5
Wholesale	114.9	116.6	114.7	-1.5	0.2	410.74	361.50	10.32	9.64	39.8	37.5
Retail	345.0	362.7	337.5	-4.9	2.2	181.97	178.70	6.69	6.57	27.2	27.2
Building Materials	15.8	17.1	16.0	-7.3	-0.9	318.10	320.98	8.46	8.77	37.6	36.6
General Merchandise	51.2	55.3	51.5	-7.4	-0.5	164.09	162.75	6.36	6.05	25.8	26.9
Food Stores	46.0	48.3	45.2	-4.6	1.9	197.53	198.61	7.08	7.17	27.9	27.7
Automotive	38.2	38.8	37.0	-1.7	3.1	353.97	315.62	8.74	8.60	40.5	36.7
Apparel	18.2	19.2	17.7	-5.2	3.0	111.38	123.05	5.46	5.34	20.4	22.9
Home Furnishings	14.5	15.0	13.7	-3.3	5.9	250.92	224.39	7.65	7.60	32.8	30.8
Eating and Drinking	113.6	119.0	110.5	-4.6	2.7	103.29	102.12	4.76	4.60	21.7	22.2
Fin., Insur., Real Est.	112.3	112.6	107.4	-0.2	4.6						
Finance	52.8	52.7	51.2	0.3	3.3						
Insurance	41.3	41.5	39.1	-0.5	5.8						
Real Estate	18.2	18.4	17.2	-1.1	6.0						
Services	433.0	439.1	419.1	-1.4	3.3						
Personal Services	21.8	22.1	20.6	-1.3	5.4						
Business Services	77.9	79.7	74.5	-2.3	4.6						
Repair Services	18.8	19.2	18.2	-2.2	3.5						
Health Services	140.5	140.8	138.0	-0.2	1.8						
Hospitals	49.1	49.4	49.8	-0.5	-1.4						
Nursing Homes	40.5	40.6	39.8	-0.2	1.7						
Legal Services	12.8	12.6	11.9	1.2	7.9						
Private Education	25.2	26.2	24.4	-3.9	3.3						
Government	308.7	311.8	300.5	-1.0	2.7						
Federal	32.6	32.8	31.1	-0.4	5.0						
State	77.4	76.4	76.1	1.3	1.7						
Education	42.3	41.3	41.7	2.3	1.5						
Local	198.6	202.6	193.3	-2.0	2.7						
Education	104.8	108.8	101.1	-3.7	3.6						

[1] Totals may not add because of rounding.

[2] Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

National Economic Activity
Spending, Output, Income, and Prices

The overall level and composition of National Output shape labor market conditions, and nominal and real earnings. (Nominal values are not adjusted for inflation; real values are adjusted for inflation.) Personal Consumption Expenditures, especially on Durable Goods, together with data on Retail Sales, are frequently used as indicators of future levels of employment. The number of Building Permits influences the level of employment in construction and related industries. The Federal Budget Deficit is a key indicator of the stimulatory effect of government policy. Whether this effect results in inflation, improved employment conditions, or some combination of the two, depends in part, upon the degree to which present productive capacity is utilized. Present and anticipated Money and Credit Conditions determine the ability of consumers, business, and State and Local governments to borrow in order to finance purchases, which, in turn, generate income and employment.

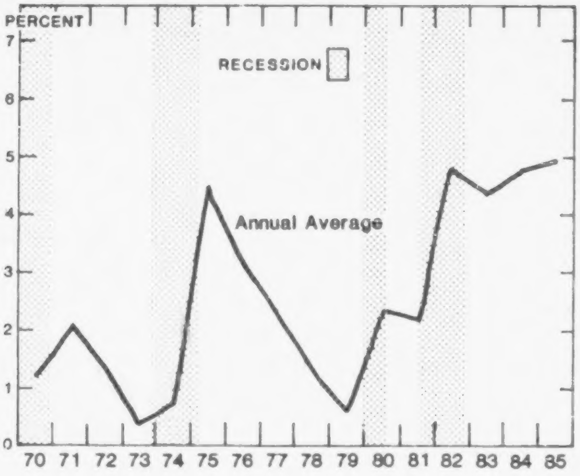
Spending, Output, Income, and Prices	United States		
	IV QTR. 1985	Percent Change from	
		Last Qtr.	Year Ago
Spending and Output			
Gross National Product (in Billions of 1972 Dollars)	3605.0	0.6	2.5
Personal Consumption Expenditures	2328.7	-0.1	2.9
Durable Goods	344.3	-4.2	5.1
Nondurable Goods	853.0	0.4	2.9
Services	1131.3	1.0	2.3
Gross Private Domestic Investment	662.2	2.7	0.3
Nonresidential, Fixed	485.4	2.5	6.0
Residential, Fixed	176.7	2.1	6.4
Net Exports	-127.6	#	#
Government Purchases	741.7	1.7	6.9
Federal	343.7	3.8	11.8
State and Local	398.0	0.0	2.9
Current Federal Budget Surplus (Deficit) 1/	-223.4	-201.3	-192.7
Current Federal Budget Surplus (Deficit) as % of GNP 1/	-5.5	-5.0	-5.0
Retail Sales (in millions of dollars)	116114	-0.7	5.6
Industrial Production (Base Year - 1977)	125.2	0.3	1.7
Housing Starts (Annualized in Thousands)	1726	3.2	8.0
Plant Utilization Rates	79.9	-0.5	-1.5
New Orders - Durable Goods (in millions of dollars)	105485	-0.7	4.7
Income and Credit			
Total Personal Income (in billions of dollars)	3357.4	1.8	5.4
Total Disposable Personal Income (in billions of dollars)	2847.1	1.7	4.5
Per Capita Personal Income			
Current Dollars	13982	1.5	4.4
1972 Dollars	4336	0.7	1.0
Median Family Income - Family of Four (in dollars)	35967	1.4	4.2
Poverty Threshold for Family of Four (in dollars)	10650		4.4
Average Weekly Earnings of Production Workers in Mfg.	395.09	2.6	3.9
Money and Credit			
Money Supply (M2) (in billions of dollars)	2550.5	1.5	8.7
Federal Reserve Discount Rate	7.50	0.0	-14.1
Prime Rate Charged by Banks	9.50	0.0	-19.5
Consumer Installment Credit as % of Disp. Pers. Income	18.8	2.7	15.1
Prices			
Consumer Price Index (All Urban Consumers)	326.5	0.9	3.5
Food	303.9	0.7	2.4
Housing	355.1	0.7	4.1
Apparel	210.4	2.2	2.8
Transportation	322.7	0.6	2.2
Medical Care	412.7	1.6	6.6
Personal Care	285.6	0.8	3.5
Producer Price Index	309.3	0.6	-0.2
Finished Goods	294.4	1.1	1.3
Raw Materials	308.1	3.9	-5.9

# Percent change not applicable

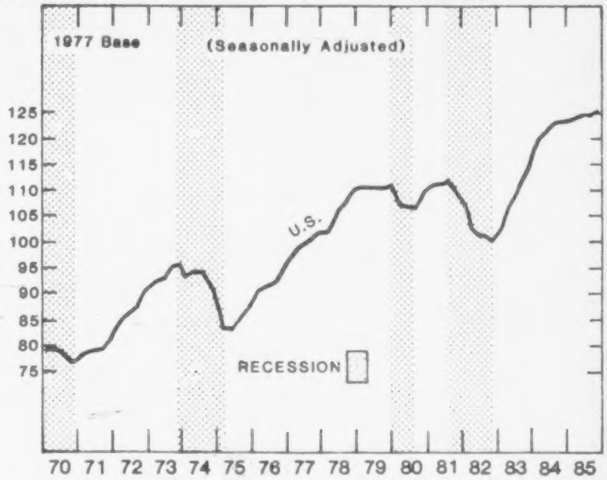
1/ Represents values - not percent change.

Output, Expenditures, Money, & Credit Conditions

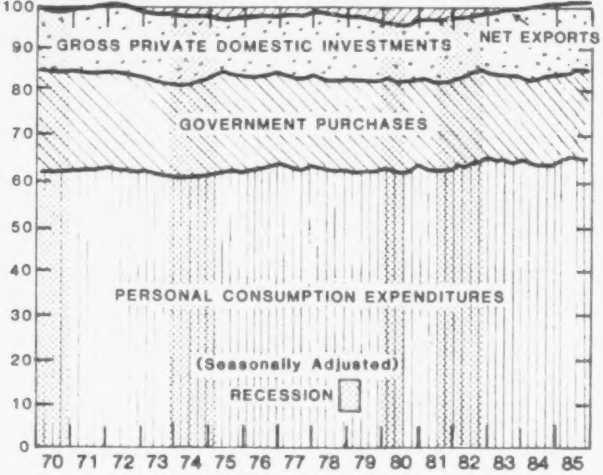
Federal Deficit as % of GNP (Current Dollars)



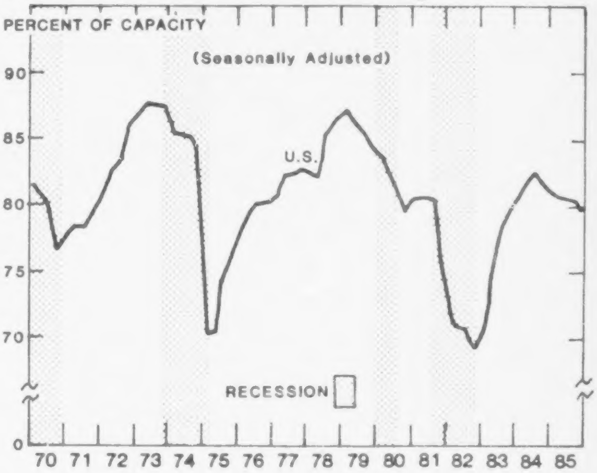
Index of Industrial Production



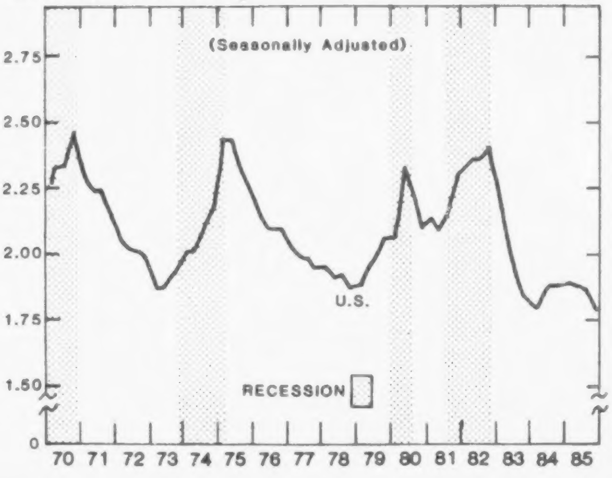
Composition of GNP in Percent



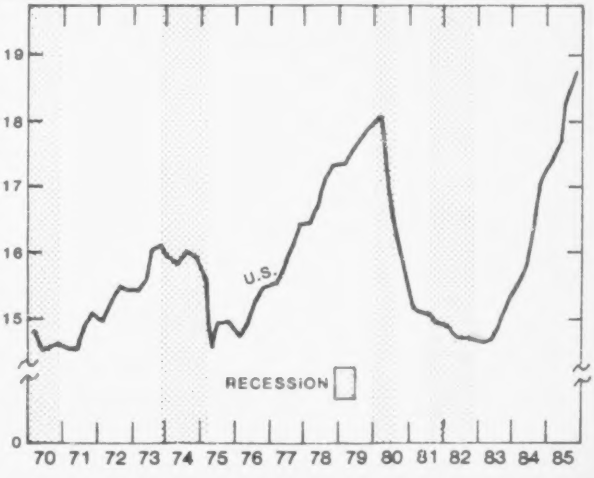
Plant Utilization Rates, Mfg.



Ratio, Inventory to Sales, Durable Mfg.

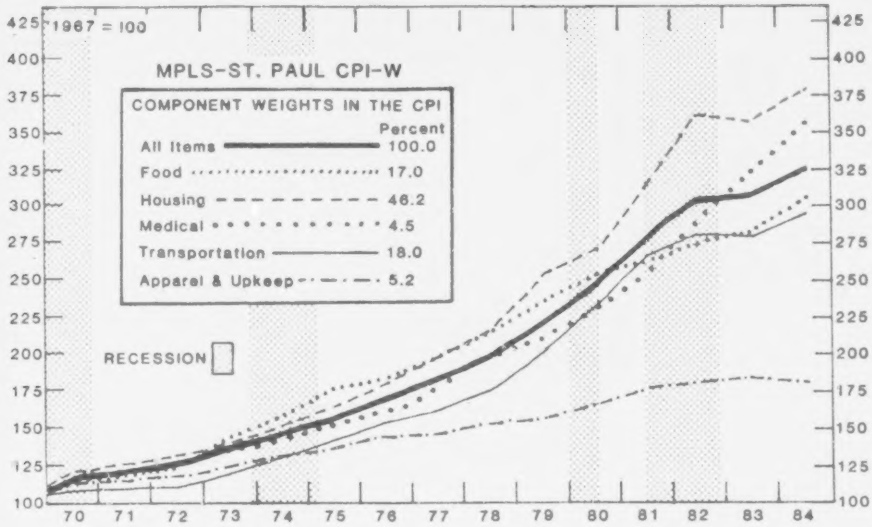


Ratio, Consumer Installment Debt to Disposable Personal Income, U.S.

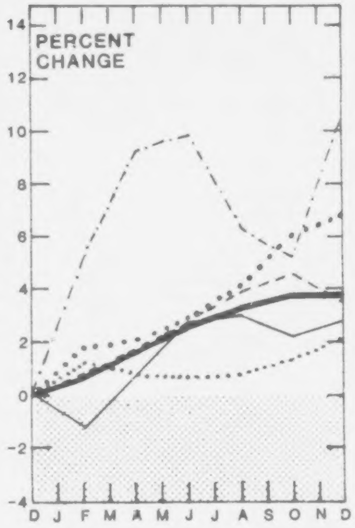


Income & Purchasing Power

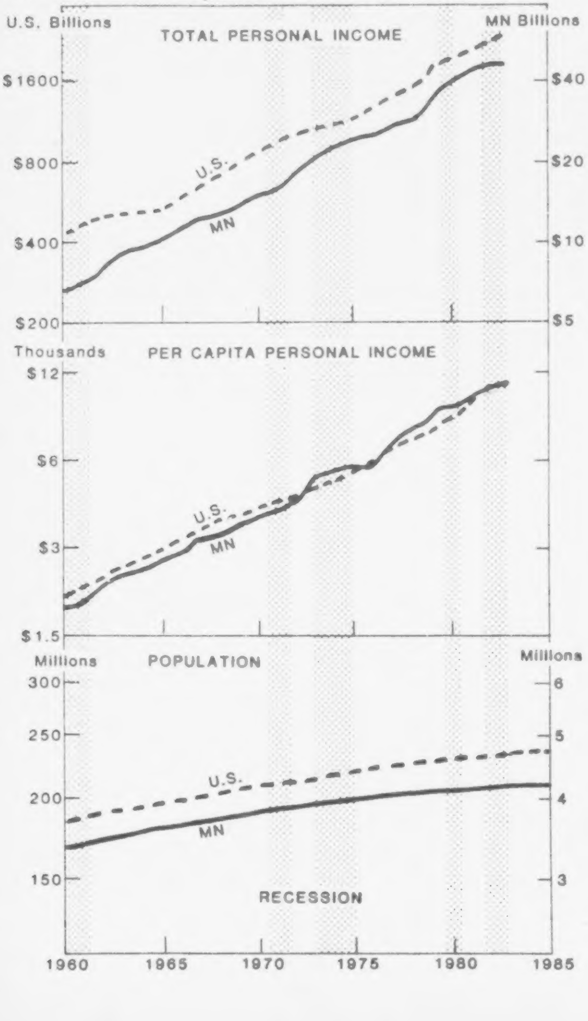
Consumer Price Index–Major Components



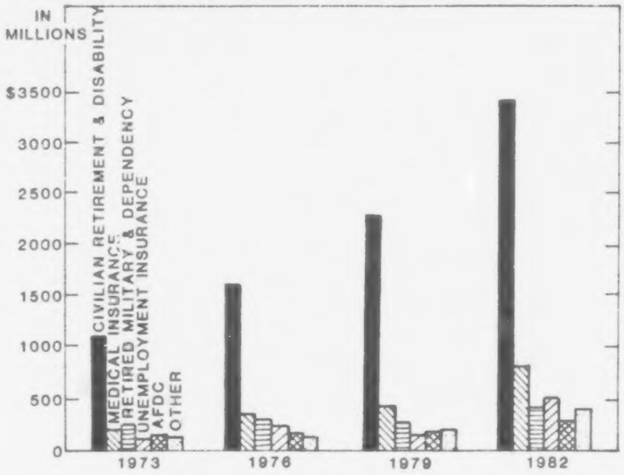
% Δ From Dec. 1984



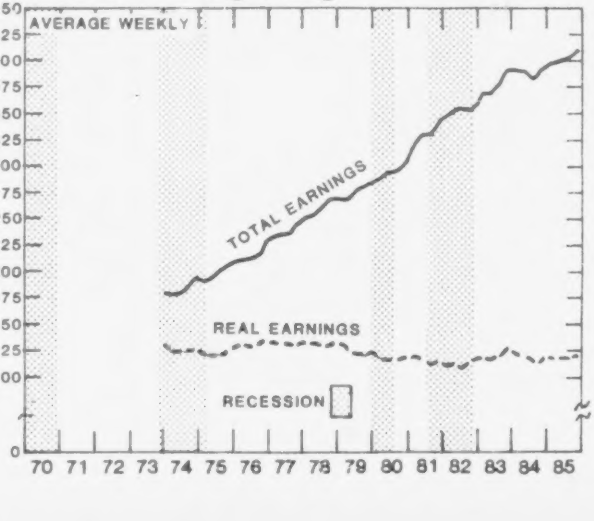
U.S. & MN Personal Income and Population



Government Transfer Payments To Individuals In Minnesota *(Selected Years)*



Minnesota Earnings, Mfg.



Minnesota Income Support and Employment Assistance Data

Presented below is data on income support and employment assistance programs provided to unemployed Minnesotans. Usually, the number of individuals receiving payments or employment and training assistance is the average of the three months in the quarter. In most programs there are eligibility requirements which must be met. In the table below, comparative data from a quarter ago and a year ago is presented. Because of seasonal swings in economic activity, quarter to quarter comparisons of program data can vary significantly. Year ago comparisons give a better indication of trends in the economy.

	Number of Persons			Amount Paid (Thousands)		
	IV QTR. 1985	Last Quarter	Last Year	IV QTR. 1985	Last Quarter	Last Year
Unemployment Insurance						
Total State	50048	37413	40901	$24,460,944	$16,971,101	$17,825,994
Northeast	7227	4986	7164	3,721,076	2,197,272	3,457,221
Northwest	6263	3887	5986	2,625,701	1,607,686	2,275,715
Central	6010	3880	5025	2,638,438	1,666,337	2,065,323
Metropolitan	20281	17361	14701	11,064,982	8,226,923	6,978,069
Southern	10266	7300	8024	4,410,747	2,872,883	3,049,664
General Assistance						
Total State	n.a.	n.a.	37055	n.a.	n.a.	$8,148,435
Northeast			6840			1,283,144
Northwest			3053			793,705
Central			2246			453,541
Metropolitan			20182			4,786,175
Southern			3834			831,870
Job Service						
Individuals served	107785	107962	136263			
Individuals placed	4458	11361	4786			
Vocational Rehabilitation						
Active Caseload	15648	15661	14876			
Percent Severely Disabled	54.8	54.9	56.4			
Closed-Employed	304	504	428			
Job Training Partnership Act (Title IIA)						
Participants	n.a.	n.a.	10264			
Entered Employment			1882			
Trade Adjustment Assistance (TRA)						
Individuals Entitled to Basic TRA	84	32	3			
Individuals Placed or Entered Training	6	5	14			
Targeted Jobs Tax Credit						
Individuals Vouchered	3182	2076	1328			
Individuals Certified	2160	1367	863			
Food Stamp Program						
Registrations	2628	2428	2376			
Individuals Entered Employment	145	155	140			
Work Incentive Program						
Registrants On-Board	25526	25913	23837			
Individuals Entered Employment	677	481	421			
MEED						
Individuals On-Board	3314	4905	6368			
Left Program with Unsubsidized Job	655	514	831			

FEATURE ARTICLE (CONTINUED FROM PAGE 10)

Texas, the layoffs in manufacturing in Illinois and an accounting error by the Bureau of Labor Statistics. On the brighter side, new housing starts and sales were very strong in January and mortgage interest rates fell even lower in February.

In spite of the many favorable developments, we believe that the economy will grow about 2.7 percent in 1986 - slower than many forecasters predict for 1986. We expect that sluggish capital spending caused by excess capacity, overbuilding and the slump in the oil industry together with declines in government purchases resulting from the Gramm-Rudmann Act and lower than generally expected housing starts and auto sales will partially offset the beneficial effects of the falling oil prices, the depreciating dollar and lower interest rates. Also, we do not believe that increases net worth of consumers caused by the surging stock market will necessarily translate into a large increase in personal consumption expenditures.

Available Publications

Write to: Director, Research and Statistics Office (See inside cover for address)

Review of Labor and Economic Conditions and its Monthly Supplement (Recent Issues)

Minnesota Employment Outlook to 1990 (February 1985)

Labor Market Information Summary for 1985 for Minneapolis-St. Paul SMSA (May 1984), St. Cloud SMSA (June 1984), Duluth SMSA (September 1984), and Minnesota (April 1984)

Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings, January 1950 December 1984 (April 1985)

Employment, Hours, and Earnings, 1950-1985, Minneapolis-St.Paul Area (April 1985)

Important Minnesota Occupations by Industry (August 1984)

1982 Occupational Employment Statistics in Minnesota (April 1984)

1983 Occupational Employment Statistics in Minnesota (December 1984)

1985 Minnesota Salary Survey by Area (July 1985)

1985 Minnesota Hospitals and Nursing Homes Salary Survey (August 1985)

1985 Minnesota Wage Data by Industry and Size of Firm (September 1985)

Minnesota Labor Market Information Directory (June 1984)

Minnesota Employment and Wage Data by County (Second Quarter 1985) Limited number available for 1975-1983

Average Covered Employment & Wages by Economic Region for the Calendar Year 1984 by Two Digits of Industry (also available for 1976-1983)

Unemployment Compensation Program Statistics: Total Wages, Taxable Wages, Contributions Due, and Benefits Paid, 1950-1978

Cyclical Sensitivity in Minnesota (August 1981)

2/24/86

CURRENT MINNESOTA LABOR MARKET CONDITIONS

January 1986 Supplement to The Review of Labor and Economic Conditions

Prepared by the Research and Statistics Office, MN Dept. of Jobs and Training, 390 N. Robert St., St. Paul, MN. 55101, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, and Employment & Training Admin.

Nation

Nearly all of the economic reports for December indicated that the Nation's economy ended the year on a strong note. On the other hand, real gross national product rose only 2.3 percent in 1985, the smallest yearly increase since the recession year of 1982.

Labor market conditions improved in December as the unemployment rate dropped and both total and nonfarm employment showed stronger gains than in November. The seasonally adjusted unemployment rate fell for the second straight month in December, dropping by another 0.1 of a point to 6.9 percent, the lowest since April 1980. Also, total employment, seasonally adjusted, rose by 237,000 after a rise of 156,000 in November. Meanwhile, seasonally adjusted nonfarm payroll employment climbed by 320,000 in December after a gain of only 180,000 in November. Stronger gains in manufacturing, trade and government accounted for most of the increased growth in payroll employment in December. Moreover, employment in manufacturing which had declined by 325,000 between January and September, rose for the third consecutive month in December and is up by 140,000 from September.

Other reports for December suggested that the economy was very strong at year's end. Large gains were posted in retail sales, industrial production, housing starts, personal income and personal consumption expenditures. However, some of the growth in retail sales and personal spending was the result of incentives by automobile manufacturers.

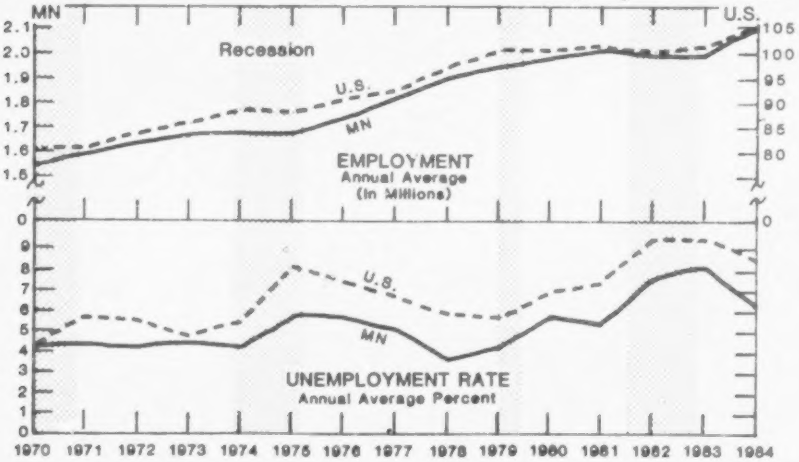
State

The Minnesota economy was rather sluggish in December as the unemployment rate continued to rise and both total and nonfarm payroll employment rose modestly. One bright spot, however, was that employment in manufacturing increased for the first time in several months.

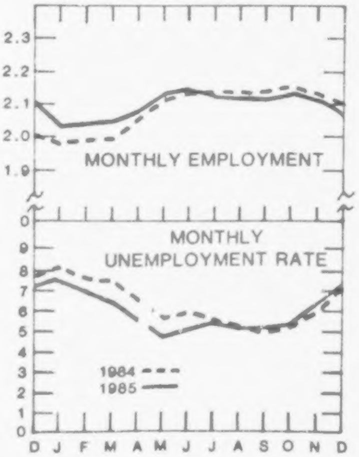
The State's seasonally adjusted unemployment rate climbed for the seventh month in a row in December, rising by 0.1 of a point to 6.9 percent and matching the Nation's rate for the first time since October 1973. Also, seasonally adjusted total employment rose by a modest 5,000 in December after a gain of 6,100 in November. Because of a large drop in mining employment, continued declines in construction and communications employment and slow growth in trade and services employment, seasonally adjusted nonfarm payroll employment increased by only 421 in December. On the other hand, factory employment rose for the first time since June. Larger increases in employment in the lumber, furniture and paper industries together with recoveries in employment in electrical and nonelectrical machinery led to the December rise in manufacturing employment. Over-the-year, payroll employment was up by nearly 27,000 as increases of 14,000 in services, 9,200 in government and 6,200 in trade offset declines of 8,000 in manufacturing and 600 in construction. Two-thirds of the over-the-year drop in manufacturing emloyment was in electrical and nonelectrical machinery.

Labor Force Estimates	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	December 1985	Change From		December 1985	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2,245.1	-4.9	-17.9	115.8	-0.3	1.8
Employed	2,076.5	-29.9	-25.4	108.1	-0.2	2.1
Unemployed	168.6	25.0	7.5	7.7	-0.1	-0.3
Unemployment Rate						
Actual	7.5	1.1	0.4	6.7	0.0	-0.3
Seasonally Adjusted	6.99	0.1	0.3	6.9	-0.1	-0.3

MN and the U.S., Employment & Unemployment Rate



MN, 1984 and 1985



Labor Market Conditions

MINNESOTA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT 1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS 2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Dec. 1985	Nov. 1985	Dec. 1984	Nov. 1985	Dec. 1984	Dec. 1985	Nov. 1985	Dec. 1985	Nov. 1985	Dec. 1985	Nov. 1985
Total Nonagricultural	1,896.5	1,907.0	1,870.1	-0.6	1.4						
Manufacturing	370.0	370.9	378.0	-0.2	-2.1	422.71	407.38	10.31	10.21	41.0	39.9
Durable Goods	221.2	221.5	228.0	-0.2	-3.0	442.05	421.30	10.55	10.48	41.9	40.2
Lumber and Furniture	16.9	17.1	16.5	-1.4	2.5	416.03	407.36	10.75	10.72	38.7	38.0
Stone, Clay and Glass	7.3	8.0	8.3	-8.9	-12.7	432.21	392.96	10.34	10.26	41.8	38.3
Primary Metals	5.7	5.7	6.1	0.8	-6.6	371.57	358.42	9.22	9.12	40.3	39.3
Fabricated Metals	35.0	35.2	35.4	-0.6	-1.0	497.64	466.49	11.44	11.35	43.5	41.1
Nonelectrical Machinery	90.0	90.0	94.6	0	-4.9	468.44	448.54	11.18	11.13	41.9	40.3
Office and Computing	46.6	46.7	49.7	-0.1	-6.3	516.06	513.24	12.20	12.20	42.3	42.0
Electrical Machinery	26.9	26.2	27.6	2.5	-2.8	334.96	328.00	8.23	8.20	40.7	40.0
Transportation Equipment	6.5	6.2	6.7	4.2	-2.6	610.56	511.04	12.72	12.11	48.0	42.2
Scientific Instruments	27.2	27.2	27.5	-0.1	-1.2	417.16	407.22	9.98	10.03	41.8	40.6
Miscellaneous Manufacturing	5.7	5.8	5.2	-2.2	9.4	418.92	385.90	9.33	9.21	44.9	41.9
Nondurable Goods	148.9	149.4	150.0	-0.3	-0.7	398.20	389.08	9.98	9.85	39.9	39.5
Food and Kindred	44.3	44.8	45.9	-1.1	-3.5	362.46	354.89	8.63	8.47	42.0	41.9
Textiles and Apparel	4.3	4.5	5.0	-4.7	-14.6	238.72	240.63	6.40	6.17	37.3	39.0
Paper and Allied	33.6	33.5	34.4	0.4	-2.1	509.65	495.40	11.88	11.88	42.9	41.7
Printing and Publishing	43.1	43.0	41.0	0.2	5.0	382.56	381.15	10.51	10.50	36.4	36.3
Chemicals and Petroleum	10.2	10.2	9.8	0.3	4.0	464.84	437.31	11.31	11.30	41.1	38.7
Rubber, Plastic and Leather	13.4	13.4	13.9	0	-3.5	330.04	317.83	8.92	8.59	37.0	37.0
Nonmanufacturing	1,526.4	1,536.2	1,492.2	-0.6	2.3						
Mining	6.3	8.8	5.5	-27.9	15.2	509.33	496.58	12.67	12.54	40.2	39.6
Metal Mining	4.7	6.5	3.8	-28.2	21.7	539.13	514.90	13.58	13.55	39.7	38.0
Construction	68.9	79.2	69.6	-13.0	-1.1	579.58	582.93	15.58	15.30	37.2	38.1
Transport., Comm., & Pub. Util	100.2	100.5	99.0	-0.3	1.2						
Transportation	65.7	65.9	64.1	-0.4	2.3						
Trucking and Warehousing	26.7	27.0	27.3	-1.0	-2.2	379.86	372.88	11.59	11.58	34.5	32.2
Communication and Public Util	34.5	34.6	34.9	-0.1	-1.0	545.48	550.83	13.74	13.84	39.7	39.8
Trade	487.9	483.2	481.9	1.0	1.2	233.48	229.20	7.63	7.64	30.6	30.0
Wholesale	119.4	119.9	118.9	-0.4	0.4	406.25	398.86	10.39	10.28	39.1	38.8
Retail	368.5	363.3	363.0	1.4	1.5	185.65	181.23	6.56	6.59	28.3	27.5
Building Materials	18.0	18.2	17.8	-1.6	0.8	315.13	309.82	8.54	8.63	36.9	35.9
General Merchandise	55.9	54.0	57.3	3.6	-2.4	181.99	168.13	6.19	6.25	29.4	26.9
Food Stores	49.1	48.2	48.0	1.8	2.2	200.79	194.04	7.07	6.98	28.4	27.8
Automotive	39.6	39.3	37.2	0.9	6.6	342.65	347.38	8.97	9.07	38.2	38.3
Apparel	18.6	17.9	18.3	4.1	1.7	128.93	124.47	5.22	5.23	24.7	23.8
Home Furnishings	14.2	14.0	13.0	1.8	9.5	237.80	237.49	7.25	7.33	32.8	32.4
Eating and Drinking	122.5	122.7	120.7	-0.1	1.5	104.64	105.54	4.63	4.67	22.6	22.6
Fin., Insur., Real Est.	111.3	110.9	107.4	0.4	3.6						
Finance	51.9	51.8	50.2	0.2	3.4						
Insurance	41.0	40.7	39.2	0.9	4.6						
Real Estate	18.3	18.4	18.0	-0.5	2.1						
Services	444.3	444.9	430.5	-0.1	3.2						
Personal Services	22.0	22.1	19.9	-0.4	10.8						
Business Services	83.6	83.3	79.7	0.4	4.9						
Repair Services	20.4	20.3	19.4	0.1	5.1						
Health Services	138.7	138.6	136.3	0.1	1.8						
Hospitals	48.3	48.3	48.9	-0.2	-1.2						
Nursing Homes	39.9	39.7	39.3	0.5	1.5						
Legal Services	12.7	12.7	11.7	0.3	8.4						
Private Education	25.7	25.7	25.2	-0.2	1.7						
Government	307.6	308.8	298.2	-0.4	3.2						
Federal	31.8	31.6	30.9	0.4	2.8						
State	76.8	78.6	72.4	-2.3	6.0						
Education	42.6	44.1	38.7	-3.4	10.2						
Local	199.0	198.5	194.8	0.2	2.1						
Education	106.9	106.9	104.7	0.1	2.1						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Labor Market Conditions

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

Total claimants for unemployment benefits rose by 19,566 or 51.9 percent in December. The percent increase in December was only slightly less than seven year average rise of 52.7 percent between November and December. However, claimants in mining and services increased considerably faster than they usually do in December while claimants in construction, retail trade and finance-insurance-real estate rose a little more than normal for December. On the other hand, claimants in manufacturing increased at only one-third of their normal rate for December. Over-the-year, claimants were up by 6,842 or 13.6 percent. Nearly sixty percent (4,070) of the over-the-year rise in claimants occurred in the manufacturing sector where claimants rose by 34 percent.

Table 1. Distribution of Insured Unemployed, by Age and Sex, December 1985

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	57,257	76.8	100.0	100.0
Under 45	44,101	77.5	77.7	74.7
Under 25	10,069	77.2	17.7	17.3
25-34	21,269	78.7	38.1	34.0
35-44	12,763	75.6	21.9	23.4
45 and Over	13,156	74.5	22.3	25.3
45-54	7,571	74.9	12.9	14.3
55 and Over	5,585	73.9	9.4	11.0

TABLE 2. Distribution of Insured Unemployed by Industry and Occupation,

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term1/ Unemployed	Women as Percent of Total
Total, All Industries	52,257	100.0	13.2	23.1
Ag., For., Fish.	1,824	3.2	2.2	12.6
Mining	4,528	7.9	1.7	4.0
Construction	15,417	26.9	1.8	3.1
Manufacturing	16,074	28.1	24.2	32.1
Public Utilities	2,122	3.7	12.1	16.9
Wholesale Trade	3,058	5.3	18.1	22.2
Retail Trade	4,768	8.3	17.7	38.7
Finance, Insurance, Real Estate	1,055	1.9	22.3	53.8
Services	6,545	11.4	19.2	48.9
Public Admin.	1,188	2.1	11.8	35.8
Info. Not Available	678	1.2	1.6	23.3
Total, All Occupations	57,257	100.0	13.2	23.1
Prof., Tech., Mgr.	5,986	10.5	27.1	36.4
Clerical	4,242	7.4	23.3	78.7
Sales	1,785	3.1	21.5	30.0
Services	3,102	5.4	15.3	56.4
Farm., For., Fish.	1,579	2.8	1.7	12.9
Processing	2,074	3.6	29.4	25.8
Machine Trades	3,844	6.7	21.6	13.2
Benchwork	5,709	10.0	21.0	51.7
Structural Work	17,084	29.8	3.4	2.3
Miscellaneous	11,647	20.3	7.3	7.2
Info. Not Available	205	0.4	14.3	17.5

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., wehereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand

Occupation	Applicants (Supply) Dec. 1985	Applicants (Demand) Dec. 1985	Supply/Demand Ratio	
			Dec. 1985	Dec. 1984
Total	96,584	11,885	8.1	7.0
Prof., Tech., Mgr.	12,336	1,376	9.0	9.1
Clerical	15,603	2,220	7.0	5.5
Sales	4,998	1,149	4.3	3.2
Domestic Services	1,384	123	11.3	9.0
Other Services	14,819	3,272	4.5	4.4
Farm., Fish., For.	2,096	487	4.3	13.0
Processing	1,922	605	3.2	1.9
Machine Trades	7,101	466	15.2	11.5
Benchwork	7,133	379	18.8	9.1
Structural Work	13,272	435	30.5	18.5
Mtr. Frght., Trans.	4,386	643	6.8	7.8
Pkg. & Mat. Hndlg.	10,562	653	16.2	17.9
Other	972	77	12.6	22.5

1/ Inexperienced and improperly coded job applicants are not included in this table.

Analysis of Local Conditions

MINNEAPOLIS-ST. PAUL MSA

The unemployment rate in the Twin Cities metropolitan area continued to rise in December, reaching 5.5 percent compared to 5.0 percent in November. Typically the jobless rate increases by an average of 0.4 of a percentage point between November and December. The large increase is largely due to seasonal factors which affect the construction industry. However, for the past several months the unemployment rate has been rising faster than usual due to additional layoffs in the manufacturing sector. While the unemployment rate has now climbed to 0.6 of a percentage point above the rate a year ago, it remains below the jobless rates of December 1983 and 1984 which were 7.5 percent and 5.9 percent, respectively.

The number of nonagricultural wage and salary jobs declined by slightly more than usual between November and December. There was much sharper than usual decline in construction jobs due to abnormally cold November and December weather. In addition, the services industry registered only weak growth while there was a greater than usual drop in government employment.

On the brighter side, employment in the manufacturing sector appears to be showing some signs of stabilizing. For the second consecutive month, employment decreased by less than the usual historical average. Another positive sign is a noticeable increase in the length of the average workweek in practically all manufacturing industries. This generally precedes hiring of additional workers.

Preliminary estimates show that 1985 average monthly total nonagricultural wage and salary employment was 21,000 greater than 1984. This compares to an increase of 76,100 in 1984 over 1983. The manufacturing sector, especially the electronics industry, lost jobs as the year went on. The construction industry had another strong year. Retail trade employment show much weaker growth in 1985 than in past years with the exception of auto sales. The fastest growing industries continued to be services and finance, insurance, and real estate. However growth in the business service industry group appears to have slowed considerably during the year as the economy cooled.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Dec. 1985	Nov. 1985	Dec. 1984	Dec. 1985	Nov. 1985	Dec. 1984	Dec. 1985	Nov. 1985	Dec. 1984
Minneapolis-St. Paul MSA*	1,304,928	1,295,502	1,302,412	71,520	64,179	63,985	5.5	5.0	4.9
REGION 11	1,211,914	1,201,724	1,208,218	65,401	57,822	57,196	5.4	4.8	4.7
Anoka	122,316	121,691	121,897	7,401	7,038	6,530	6.1	5.8	5.4
Carver	22,661	22,637	22,696	1,074	1,099	1,024	4.7	4.9	4.5
Dakota	121,728	121,006	122,179	6,488	6,028	6,486	5.3	5.0	5.3
Hennepin	569,600	563,492	566,692	30,258	25,378	25,228	5.3	4.5	4.5
Ramsey	277,470	274,909	276,406	14,931	12,968	12,835	5.4	4.7	4.6
Scott	27,519	27,668	27,703	1,754	1,962	1,837	6.4	7.1	6.6
Washington	70,620	70,321	70,645	3,495	3,349	3,256	4.9	4.8	4.6
Chisago*	16,094	16,330	16,337	998	1,268	1,182	6.2	7.8	7.2
Isanti*	14,444	14,497	14,563	951	1,035	1,017	6.6	7.1	7.0
Wright*	36,752	36,985	37,317	2,555	2,866	2,985	7.0	7.7	8.0
St. Croix, WI	25,724	25,966	25,977	1,615	1,188	1,605	6.3	4.6	6.2
Bloomington	49,686	49,058	49,117	2,732	2,211	1,978	5.5	4.5	4.0
Minneapolis	220,368	217,607	219,056	12,636	10,348	10,507	5.7	4.8	4.8
St. Paul	161,887	160,008	161,155	9,705	8,172	8,374	6.0	5.1	5.2

* Chisago, Isanti and Wright counties are a part of the Minneapolis/St. Paul-MN-WI MSA, but are included in Region 7.

Analysis of Local Conditions

MPLS-ST. PAUL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT[1] (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS [2]					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Dec. 1985	Nov. 1985	Dec. 1984	Nov. 1985	Dec. 1984	Dec. 1985	Nov. 1985	Dec. 1985	Nov. 1985	Dec. 1985	Nov. 1985
Total Nonagricultural	1,232.6	1,236.1	1,211.6	-0.3	1.7						
Manufacturing	256.7	257.0	261.2	-0.1	-1.7	465.23	445.38	11.13	10.97	41.8	40.6
Durable Goods	163.0	163.2	167.5	-0.1	-2.7	480.57	458.02	11.15	11.01	43.1	41.6
Lumber and Furniture	5.2	5.3	5.1	-2.6	1.3	490.88	486.41	12.75	12.70	38.5	38.3
Stone, Clay and Glass	2.7	3.0	3.2	-9.2	-16.0	459.69	418.74	10.33	9.97	44.5	42.0
Primary Metals	4.4	4.4	4.5	0.4	-1.2	363.13	342.90	9.17	9.00	39.6	38.1
Fabricated Metals	28.4	28.4	28.4	-0.1	-0.2	548.69	511.89	12.33	12.13	44.5	42.2
Nonelectrical Machinery	70.4	70.3	74.3	0.2	-5.2	502.55	480.66	11.50	11.39	43.7	42.2
Office and Computing	36.6	36.5	39.5	0.1	-7.5	549.70	544.92	11.95	11.95	46.0	45.6
Electrical Machinery	16.6	16.6	17.5	-0.3	-5.3	374.51	359.16	9.06	8.89	41.2	40.4
Transportation Equipment	4.5	4.3	4.0	4.4	10.9	725.60	633.75	14.34	13.99	50.6	45.3
Scientific Instruments	24.0	23.9	24.3	0.5	-1.3	403.20	423.52	10.08	10.23	40.0	41.4
Miscellaneous Manufacturing	4.7	4.8	4.1	-1.5	14.0	448.88	411.65	9.49	9.42	47.3	43.7
Nondurable Goods	256.7	257.0	261.2	-0.1	-1.7	465.23	445.38	11.13	10.97	41.8	40.6
Food and Kindred	18.1	18.3	18.6	-0.9	-2.3	436.13	390.00	10.19	9.75	42.8	40.0
Textiles and Apparel	1.8	1.9	2.4	-7.1	-24.2	207.21	231.05	6.26	6.33	33.1	36.5
Paper and Allied	26.0	25.8	26.3	0.8	-1.5	484.26	470.68	11.53	11.48	42.0	41.0
Printing and Publishing	30.2	30.1	28.9	0.1	4.3	432.33	419.33	11.78	11.52	36.7	36.4
Chemicals and Petroleum	8.4	8.4	8.2	-0.6	2.9	495.88	475.26	12.65	12.64	39.2	37.6
Rubber, Plastic and Leather	9.2	9.2	9.4	-0.2	-2.1	364.56	373.98	9.30	9.28	39.2	40.3
Nonmanufacturing	975.9	979.1	950.3	-0.3	2.7						
Mining	---	---	---	--	--						
Metal Mining	---	---	---	--	--						
Construction	46.7	52.8	46.9	-11.5	-0.4	621.98	623.08	16.72	16.44	37.2	37.9
Transport., Comm., & Pub. Util	68.5	68.0	69.1	0.8	-0.9						
Transportation	46.5	46.0	46.0	1.1	1.0						
Trucking and Warehousing	16.1	15.6	17.8	3.2	-9.7	424.85	382.19	12.72	12.49	33.4	30.6
Communication and Public Util	22.0	22.0	23.1	0.1	-4.6	495.74	555.83	12.91	13.59	38.4	40.9
Trade	310.4	306.7	306.9	1.2	1.1	249.39	243.39	8.15	8.14	30.6	29.9
Wholesale	79.3	79.3	78.2	0.0	1.4	429.37	415.35	10.87	10.65	39.5	39.0
Retail	231.1	227.4	228.7	1.6	1.1	197.82	193.28	7.04	7.08	28.1	27.3
Building Materials	9.7	9.8	9.9	-1.2	-1.8	340.33	331.11	9.48	9.38	35.9	35.3
General Merchandise	41.3	39.8	42.8	3.9	-3.4	193.35	179.52	6.51	6.60	29.7	27.2
Food Stores	27.0	26.5	27.1	1.7	-0.5	252.62	237.64	8.31	8.28	30.4	28.7
Automotive	22.6	22.5	20.7	0.6	9.2	382.00	399.40	10.00	10.01	38.2	39.9
Apparel	12.6	12.2	12.0	2.9	4.7	122.72	121.67	5.20	5.29	23.6	23.0
Home Furnishings	9.8	9.5	8.7	2.8	12.0	231.49	230.00	7.21	7.21	32.1	31.9
Eating and Drinking	76.8	76.7	75.1	0.2	2.2	101.55	101.28	4.79	4.80	21.2	21.1
Fin., Insur., Real Est.	84.8	83.8	80.9	0.7	4.2	327.15	319.29	8.89	8.70	36.8	36.7
Finance	35.4	35.2	34.1	0.7	3.9	329.06	323.98	9.04	8.78	36.4	36.9
Insurance	34.4	34.0	32.8	1.0	4.9	372.79	365.04	9.51	9.36	39.2	39.0
Real Estate	14.5	14.6	14.1	-0.1	3.5	224.53	212.58	6.93	6.77	32.4	31.4
Services	303.9	304.3	288.4	-0.1	5.4						
Personal Services	15.3	15.3	13.5	0.0	13.4						
Business Services	73.2	73.3	69.1	0.2	3.7						
Repair Services	14.6	14.5	14.0	0.2	3.7						
Health Services	77.9	77.5	73.9	0.6	5.5						
Hospitals	27.5	27.4	26.5	0.6	4.0						
Nursing Homes	22.1	21.9	21.1	0.8	4.6						
Legal Services	9.8	9.8	8.8	0.2	10.9						
Private Education	16.6	16.6	15.6	-0.1	6.4						
Government	162.0	163.6	158.1	-1.0	2.5						
Federal	19.3	19.1	18.1	0.8	6.4						
State	48.2	49.6	46.9	-2.7	2.8						
Education	27.4	28.6	25.5	-4.0	7.3						
Local	94.5	94.9	93.1	-0.4	1.5						
Education	52.7	53.2	51.8	-0.8	1.8						

[1] Totals may not add because of rounding.

[2] Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Analysis of Local Conditions

CENTRAL AND NORTHWEST MINNESOTA

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Dec 1985	Nov 1985	Dec 1984	Dec 1985	Nov 1985	Dec 1984	Dec 1985	Nov 1985	Dec 1984
St. Cloud MSA 1/	75034	82125	81452	7059	7129	7768	9.4	8.7	9.5
REGION 1	45410	46232	46111	5340	4075	5467	11.8	8.8	11.9
Kittson	3198	3312	3326	343	287	340	10.7	8.7	10.2
Marshall	5952	6107	6202	1056	740	1030	17.7	12.1	16.6
Norman	4382	4556	4400	397	298	360	9.1	6.5	8.2
Pennington	6188	6386	6339	769	619	738	12.4	9.7	11.6
Polk	16946	17107	17338	1649	1325	1611	9.7	7.7	9.3
Red Lake	2322	2210	2233	549	335	453	23.6	15.2	20.3
Rosseau	6432	6554	6273	577	471	935	7.4	7.2	14.9
REGION 2	31098	30911	31780	4239	3346	4241	13.6	10.8	13.3
Beltrami	16767	16744	17003	1773	1501	1812	10.6	9.0	10.7
Clearwater	4096	4008	4100	1013	720	981	24.7	18.0	23.9
Hubbard	5578	5522	5908	872	670	844	15.6	12.1	14.3
Lake of Woods	1978	1953	1930	215	167	218	10.9	8.6	11.3
Mahnomen	2679	2684	2839	366	288	386	13.7	10.7	13.6
REGION 4	99939	100917	100646	9148	7373	9083	9.2	7.3	9.0
Becker	11988	12071	12232	1426	1125	1577	11.9	9.3	12.9
Clay	29683	28915	28993	1907	1382	1712	6.4	4.8	5.9
Douglas	13958	14158	13708	1384	1206	1248	9.9	8.5	9.1
Grant	3250	3501	3391	318	223	298	9.8	6.4	8.8
Otter Tail	23519	24016	24482	2576	2155	2734	11.0	9.0	11.2
Pope	5280	5503	5247	557	467	483	10.5	8.5	9.2
Stevens	5698	5879	5744	428	337	446	7.5	5.7	7.8
Traverse	2541	2695	2704	221	201	244	8.7	7.5	9.0
Wilkin	4022	4179	4145	331	277	341	8.2	6.6	8.2
REGION 5	57029	59462	57266	6998	5921	7125	12.3	10.0	12.4
Cass	10317	12097	10292	1476	1170	1449	14.3	11.4	14.1
Crow Wing	17908	17802	17780	2202	1843	2258	12.3	10.4	12.7
Morrison	12641	12917	12840	1624	1412	1706	12.8	10.9	13.3
Todd	10757	11170	10941	1110	972	1139	10.3	8.7	10.4
Wadena	5406	5476	5413	586	524	573	10.8	9.6	10.6
REGION 6E	57409	58224	57469	5643	4611	5285	9.8	7.9	9.2
Kandiyohi	18507	18586	18639	1559	1139	1623	8.4	6.1	8.7
McLeod	17018	17183	16996	1562	1451	1403	9.2	8.4	8.3
Meeker	10609	10794	10531	1353	1046	1025	12.8	9.7	9.7
Renville	11275	11661	11303	1169	975	1234	10.4	8.4	10.9
REGION 7E	55111	55386	55661	5436	5004	5489	9.9	9.0	9.9
Chiscago	16094	16330	16337	998	1268	1182	6.2	7.8	7.2
Isanti	14444	14497	14563	951	1035	1017	6.6	7.1	7.0
Kanabec	5747	5732	5651	897	734	881	15.6	12.8	15.6
Mille Lacs	9105	9160	9359	1080	907	1039	11.9	9.9	11.1
Pine	9721	9667	9751	1510	1060	1370	15.5	11.0	14.0
REGION 7W	111786	119110	118769	9614	9995	10753	8.6	8.4	9.1
Benton	11675	12800	12664	1163	1203	1270	10.0	9.4	10.0
Sherburne	14451	15494	15402	1645	1366	1521	11.4	8.8	9.9
Stearns	48908	53831	53386	4251	4560	4977	8.7	8.5	9.3
Wright	36752	36985	37317	2555	2866	2785	7.0	7.7	8.0

1/ Benton, Stearns, and Sherburne Counties

ST. CLOUD MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	Dec 1985	Nov 1985	Dec 1984	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	62359	62222	61012	0.2	2.2
Total Manufacturing	10138	9572	10159	5.9	-0.2
Durable Goods	5618	5045	5564	11.4	1.0
Nondurable Goods	4520	4527	4595	-0.2	-1.6
Total Nonmanufacturing	52221	52650	50853	-0.8	2.7
Construction	3170	3523	2659	10.0	19.2
Transp., Comm. & Pub. Util.	4000	4066	3785	-1.6	5.7
Wholesale Trade	3230	3230	3022	0.0	6.9
Retail Trade	15233	15183	15097	0.3	0.9
Finance, Insur. & Real Estate	2108	2116	2038	0.4	3.4
Service & Miscellaneous	7958	7969	7919	-0.1	0.5
Government	12200	12183	11901	0.1	2.5

The number of people working in the St. Cloud MSA during December, 1985 increased from November'85 and December'84 although the labor force figures in the table indicate otherwise. The employment "drop" shown for the St. Cloud MSA is due to an under-estimated employment cell being fed into the labor force estimating methodology for Stearns county. Owing to the nature of this methodology, not only is Stearns county affected, so is to a lesser degree, the St. Cloud MSA estimate, all other counties, and the State. Given our publishing constraints, the updated December'85 labor force figures will appear next month.

A better gauge of the St. Cloud MSA labor market is evident from the nonagricultural wage & salary employment table. Here total nonagricultural wage & salary employment is shown to be up 0.2 percent since November, and up 2.2 percent over the year. The only industry gaining workers over the month was durable goods manufacturing as previous laid-off workers in a large refrigeration equipment plant returned to work. Otherwise, nearly all industries lost employment over the month (most notably construction, down 10 percent), but this was mainly seasonal.

Compared with a year ago, employment in all nonmanufacturing industries has increased, led by construction (up 19.2 percent), and wholesale trade (up 6.9 percent). When the corrected unemployment rate for December'85 becomes available, it may show that 1985 concluded with 8.8-8.9 percent unemployment compared with 9.5 percent the year before.

Analysis of Local Conditions

SOUTHERN MINNESOTA

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	DEC. 1985	NOV. 1985	DEC. 1984	DEC. 1985	NOV. 1985	DEC. 1984	DEC. 1985	NOV. 1985	DEC. 1984
REGION 6W	**29,169**	**30,645**	**30,486**	**2,964**	**2,613**	**2,988**	**10.2**	**8.5**	**9.8**
Big Stone	3,612	3,797	3,882	303	246	346	8.4	6.5	8.9
Chippewa	7,139	7,475	7,468	812	799	789	11.4	10.7	10.6
Lac Qui Parle	5,346	5,622	5,586	431	393	478	8.1	7.0	8.6
Swift	5,920	6,209	6,282	732	667	772	12.4	10.7	12.3
Yellow Medicine	7,152	7,542	7,268	686	508	603	9.6	6.7	8.3
REGION 8	**71,768**	**74,460**	**73,527**	**5,714**	**5,021**	**5,329**	**8.0**	**6.7**	**7.2**
Cottonwood	6,926	7,130	7,149	574	500	584	8.3	7.0	8.2
Jackson	7,697	8,185	7,615	714	640	440	9.3	7.8	5.8
Lincoln	3,499	3,677	3,604	331	273	324	9.5	7.4	9.0
Lyon	15,435	15,689	15,925	1,246	1,106	1,190	8.1	7.0	7.5
Murray	5,538	5,870	5,799	558	425	569	10.1	7.2	9.8
Nobles	11,382	11,618	11,819	878	750	895	7.7	6.5	7.6
Pipestone	5,480	5,679	5,783	340	304	337	6.2	5.4	5.8
Redwood	10,557	11,011	10,352	798	736	729	7.6	6.7	7.0
Rock	5,254	5,601	5,481	275	287	261	5.2	5.1	4.8
REGION 9	**116,477**	**118,084**	**117,954**	**9,398**	**7,710**	**8,872**	**8.1**	**6.5**	**7.5**
Blue Earth	27,987	27,999	28,849	1,893	1,464	1,819	6.8	5.2	6.3
Brown	14,740	14,895	14,851	1,178	940	1,220	8.0	6.3	8.2
Faribault	10,574	10,838	10,699	883	709	787	8.4	6.5	7.4
Le Sueur	11,675	11,775	11,237	1,427	1,164	1,250	12.2	9.9	11.1
Martin	13,513	13,895	13,651	1,101	986	965	8.1	7.1	7.1
Nicollet	14,692	14,806	15,149	947	829	912	6.4	5.6	6.0
Sibley	7,839	8,094	8,091	821	605	767	10.5	7.5	9.5
Waseca	9,163	9,249	8,875	757	628	695	8.3	6.8	7.8
Watonwan	6,294	6,533	6,552	391	385	457	6.2	5.9	7.0
REGION 10	**221,702**	**223,918**	**219,037**	**16,886**	**14,105**	**16,010**	**7.6**	**6.3**	**7.3**
Dodge	8,473	8,631	8,216	897	650	822	10.6	7.5	10.0
Fillmore	11,955	12,490	12,185	1,116	826	1,190	9.3	6.6	9.8
Freeborn	17,442	17,809	17,544	1,472	1,318	1,388	8.4	7.4	7.9
Goodhue	20,473	20,289	20,383	1,601	1,251	1,523	7.8	6.2	7.5
Houston	9,741	10,023	10,097	774	651	756	7.9	6.5	7.5
Mower	17,811	17,961	17,770	1,352	1,150	1,253	7.6	6.4	7.1
Olmsted	62,924	63,425	60,172	3,350	2,974	3,168	5.3	4.7	5.3
Rice	24,292	24,071	23,637	2,219	1,762	1,944	9.1	7.3	8.2
Steele	16,359	16,570	16,711	1,178	1,028	1,250	7.2	6.2	7.5
Wabasha	9,458	9,728	9,458	1,109	946	964	11.7	9.7	10.2
Winona	22,774	22,921	22,864	1,818	1,549	1,752	8.0	6.8	7.7
Rochester City	**39,634**	**40,095**	**37,830**	**2,245**	**2,156**	**2,054**	**5.7**	**5.4**	**5.4**

ROCHESTER MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	DEC. 1985	NOV. 1985	DEC. 1984	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	**56,140**	**56,740**	**54,980**	**- 1.1**	**2.1**
Total Manufacturing	10,940	11,150	10,860	- 1.9	0.7
Durable Goods	9,180	9,180	9,210	0.0	- 0.4
Nondurable Goods	1,760	1,970	1,650	- 10.5	7.0
Total Nonmanufacturing	45,200	45,590	44,120	- 0.8	2.4
Construction & Mining	1,520	2,040	1,620	- 25.7	- 8.3
Transp., Comm., & Pub. Util.	1,910	1,900	1,870	0.6	2.2
Wholesale Trade	1,380	1,370	1,300	0.4	5.4
Retail Trade	11,350	11,170	10,970	1.6	3.4
Fin., Insur., & Real Estate	1,600	1,590	1,500	0.6	6.9
Total Services	22,480	22,580	21,790	- 0.4	3.2
Health Services	16,320	16,370	15,930	- 0.3	2.5
Other Services	6,170	6,210	5,870	- 0.7	5.1
Government	4,970	4,940	5,040	0.6	- 1.4

Labor force developments experienced in December closely followed the historical pattern evident over the past seven years. Employment levels fell only slightly faster than the average November-to-December change, while the estimated number of persons out of work increased at a rate somewhat below that of recent years. Even though these changes were both very close to what might have been expected the overall rate of unemployment in southern Minnesota remains quite high, far above the average for the past several years. The rate of joblessness reached eight percent, its highest rate for the month of December in three years, and nearly twice the rate experienced in December 1978.

The outlook for jobseekers overall, is not very optimistic. At this time of the year surplusses of experienced applicants in the construction trades, factory production, and clerical occupations are not unusual. But some openings on file at several area Job Service Offices in late January were classified as potentially hard-to-fill due to a shortage of qualified applicants, or because working conditions were not desirable. Some of the difficult to fill positions frequently mentioned included: truck drivers, over-the-road; cooks, shift workers and part-time workers; and sales positions, working on commissions.

Analysis of Local Conditions

NORTHEAST MINNESOTA

In recent months, employment losses experienced in northeastern Minnesota have effectively wiped out any improvements since the end of the last recession. In fact, employment for the last three months of 1985 is estimated to be at its lowest level, at least since the early '70s. After reaching peak employment levels in 1978-1979, regional employment has fallen by more than 13,500 jobs.

One can always hope that the job losses are bottoming out, and that improving conditions are just around the corner. And to a certain extent, there are some reasons to support the belief that the employment situation will be easing. Regional construction activity that is now planned would appear to be leading toward significant job increases. Unfortunately, these job gains will be both slow to develop and concentrated in the metropolitan area surrounding Duluth. In the meantime, economic pressures will continue to affect the jobs now held by residents in northeastern Minnesota in the private sector. Employment levels in the public sector "only" have to withstand budget shortfalls at the state level, and Gramm-Rudman at the national level.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	DEC. 1985	NOV. 1985	DEC. 1984	DEC. 1985	NOV. 1985	DEC. 1984	DEC. 1985	NOV. 1985	DEC. 1984
REGION 3	**136,321**	**132,704**	**146,107**	**21,925**	**15,997**	**23,282**	**16.1%**	**12.1%**	**15.9%**
Aitkin	5,234	5,200	5,456	1,018	748	1,076	19.4	14.4	19.7
Carlton	11,323	11,099	12,089	1,775	1,496	1,443	15.7	13.5	11.9
Cook	2,143	2,097	2,170	245	201	266	11.4	9.6	12.3
Itasca	16,986	16,898	18,292	2,952	2,506	2,968	17.4	14.8	16.2
Koochiching	7,271	7,345	7,855	1,021	1,009	947	14.0	13.7	12.1
Lake	4,497	4,344	4,286	747	605	756	16.6	13.9	17.6
St. Louis	88,867	85,721	95,959	14,167	9,433	15,826	15.9	11.0	16.5
Duluth Only	**33,310**	**33,960**	**35,822**	**2,562**	**2,559**	**2,836**	**7.7**	**7.5**	**7.9**
Balance St. Louis	**55,557**	**51,761**	**60,137**	**11,605**	**6,874**	**12,988**	**20.9**	**13.3**	**21.6**

DULUTH AND DULUTH-SUPERIOR MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	DEC. 1985	NOV. 1985	DEC. 1984	Mo. Ago	Yr. Ago	DEC. 1985	NOV. 1985	DEC. 1984	Mo. Ago	Yr. Ago
Total Nonagricultural Wage & Salary	**41,190**	**41,600**	**40,140**	**- 1.0**	**2.6**	**83,030**	**85,230**	**82,970**	**- 2.6**	**0.1**
Total Manufacturing	**3,230**	**3,290**	**3,380**	**- 1.9**	**- 4.5**	**6,330**	**6,330**	**6,420**	**0.0**	**- 1.4**
Durable Goods	1,490	1,530	1,670	- 2.6	-10.5	3,400	3,370	3,540	0.7	- 3.9
Nondurable Goods	1,740	1,760	1,720	- 1.2	1.4	2,930	2,960	2,890	- 0.7	1.7
Total Nonmanufacturing	**37,960**	**38,300**	**36,760**	**- 0.9**	**3.3**	**76,700**	**78,900**	**76,550**	**- 2.8**	**0.2**
Construction	950	1,310	1,060	-27.1	- 9.8	2,190	2,670	2,490	-17.8	-11.9
Trans., Comm., & Pub. Util.	3,350	3,320	3,030	0.8	10.6	5,970	5,990	6,540	- 0.3	- 8.6
Wholesale Trade	1,780	1,780	1,780	0.0	0.0	3,940	3,910	3,750	0.6	4.9
Retail Trade	9,140	9,070	9,380	0.7	- 2.5	17,840	17,690	18,170	0.9	- 1.8
Finan., Insur., & Real Est.	1,770	1,780	1,710	- 0.7	3.3	3,050	3,070	2,950	- 0.4	3.6
Services, Mining, & Miscel.	11,420	11,490	11,030	- 0.5	3.5	23,120	25,030	23,460	- 7.6	- 1.4
Government	9,550	9,550	8,770	0.0	8.8	20,590	20,540	19,200	0.2	7.2

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CURRENT MINNESOTA LABOR MARKET CONDITIONS

March 1986 Supplement to the Review of Labor and Economic Conditions
Prepared by the Research & Statistics Office, MN Dept. of Jobs & Training, 390 N. Robert St., St. Paul, MN, 55101, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, Employment & Training Admin.

Nation

Most economic reports for February suggested that the Nation's economy was sluggish. However, economists believe that the economy will pick up as the effects of falling oil prices, declining interest rates, and the dropping dollar are felt.

The labor market picture appeared to be quite dismal in February as the unemployment rate jumped, and total employment as well as employment in all three of the goods producing sectors dropped. However, much of the 0.6 of a percentage point rise in the unemployment rate was attributed to bad weather in the agricultural areas of California, the slumping oil industry in Texas and layoffs in manufacturing in Illinois. Bad weather caused part of the decline in total employment by reducing agricultural employment and also some of the drop in goods employment by curtailing construction activity. The large drop in mining employment was largely the result of falling oil prices. Imports were blamed for much of the February decrease in manufacturing employment which came after four months of increases.

February developments in other barometers also seemed to be indicative of a sluggish economy. Retail sales, industrial production and housing starts all experienced declines in February, and except for the payment of utility bills, personal spending would have declined in February.

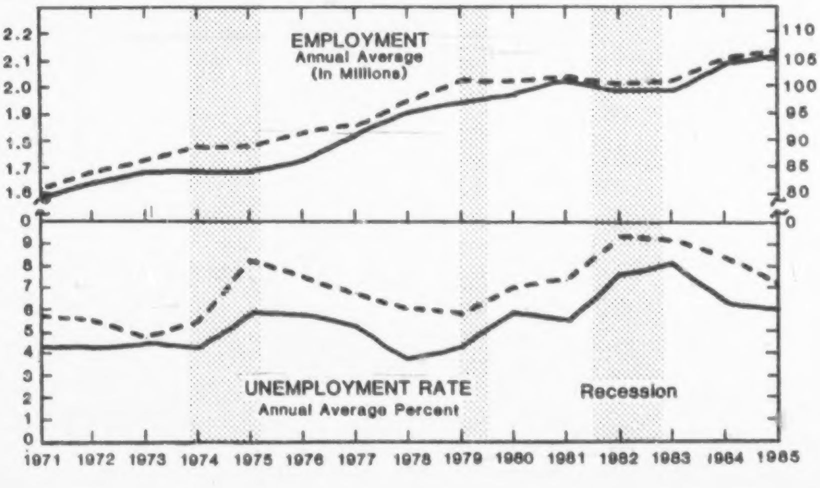
State

The Minnesota economy improved somewhat in February as the unemployment rate edged down and both total and nonfarm payroll employment rose satisfactorily. Economists in the State expect the economy to grow modestly in the coming months.

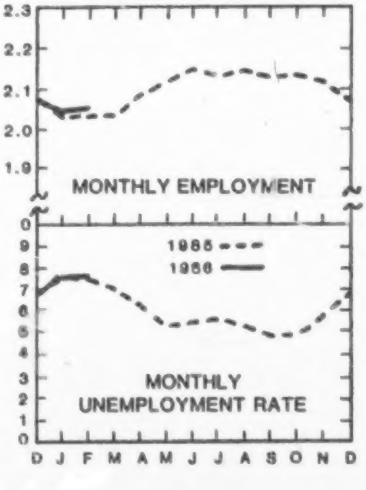
Minnesota's seasonally adjusted unemployment rate dropped 0.1 of a percentage point to 6.3 percent in February after generally rising from 5.5 percent in May 1985. The rate was 6.2 percent in February 1985. Also, seasonally adjusted total employment rose by a healthy 16,900 in February after a gain of 14,200 in January. Adjusted total employment had declined in five of the previous eight months. Meanwhile, seasonally adjusted nonfarm employment climbed by a moderate 3,400 in February following a gain of 5,300 in January. The largest over-the-month increases were 1,700 in retail trade and 1,600 in nondurable goods manufacturing employment. Employment in durable goods manufacturing employment fell by 1,500, largely as a result of a further decline in computer manufacturing and an unexpected drop in transportation equipment employment. Over-the-year, payroll employment was up by 31,700 as very strong gains in services, government, trade, and finance-insurance-real estate offset declines in mining and manufacturing. A large part of the over-the-year drop of 9,700 in durable goods manufacturing employment was in the computer industry.

Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	February 1986	Change From Last Mo.	Change From Year Ago	February 1986	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2,224.6	15.7	36.4	115.7	0.3	2.1
Employed	2,056.5	17.4	29.4	106.7	-0.3	2.0
Unemployed	168.1	-1.7	7.0	9.0	0.6	0.1
Unemployment Rate						
Actual	7.6	-0.1	0.2	7.8	0.5	0.0
Seasonally Adjusted	6.3	-0.1	0.1	7.3	0.6	0.0

MN and the U.S., Employment & Unemployment Rate



MN, 1985 and 1986



Labor Market Conditions

MINNESOTA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS 2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Feb. 1986	Jan. 1986	Feb. 1985	Jan. 1986	Feb. 1985	Feb. 1986	Feb. 1985	Feb. 1986	Feb. 1985	Feb. 1986	Feb. 1985
Total Nonagricultural	1,844.7	1,840.5	1,813.5	0.2	1.7						
Manufacturing	364.9	364.2	373.2	0.2	-2.2	412.27	401.98	10.23	9.95	40.3	40.4
Durable Goods	217.9	218.9	227.5	-0.4	-4.2	425.14	413.00	10.42	10.00	40.8	41.3
Lumber and Furniture	16.7	16.3	16.1	2.2	3.6	413.64	411.03	11.06	10.76	47.4	38.2
Stone, Clay and Glass	6.0	6.2	6.8	-3.8	-11.5	413.83	362.14	10.53	10.23	39.3	35.4
Primary Metals	6.2	6.1	6.3	1.4	-0.9	365.51	376.98	9.23	9.15	39.6	41.2
Fabricated Metals	36.0	36.2	35.5	-0.5	1.4	471.09	453.28	11.49	10.87	41.0	41.7
Nonelectrical Machinery	84.1	84.8	94.3	-0.8	-10.8	443.31	448.64	10.76	10.29	41.2	43.6
Office and Computing	43.1	43.9	50.2	-1.9	-14.2	471.38	502.09	11.25	10.66	41.9	47.0
Electrical Machinery	27.0	27.1	28.9	-0.5	-6.5	332.86	303.42	8.28	7.78	40.2	39.0
Transportation Equipment	7.6	7.6	7.1	0.2	7.4	515.64	499.10	12.19	11.58	42.3	43.1
Scientific Instruments	28.5	28.6	27.2	-0.6	4.6	418.16	402.55	9.77	9.70	42.8	41.4
Miscellaneous Manufacturing	5.8	5.8	5.4	-0.9	8.2	416.64	342.24	9.92	9.29	42.0	36.7
Nondurable Goods	147.0	145.3	145.7	1.2	0.9	395.21	387.30	9.98	9.88	39.6	39.2
Food and Kindred	42.1	40.7	42.2	3.3	-0.2	363.71	342.54	9.07	8.65	40.1	39.6
Textiles and Apparel	4.3	4.3	4.5	0.0	-4.6	249.83	228.05	6.68	6.37	37.4	35.8
Paper and Allied	32.3	32.5	33.0	-0.5	-2.2	503.71	496.48	11.88	11.60	42.4	42.8
Printing and Publishing	44.0	43.8	42.3	0.6	4.1	374.98	381.24	10.08	10.59	37.2	36.0
Chemicals and Petroleum	10.2	10.1	9.9	1.2	3.5	465.45	443.07	11.27	10.94	41.3	40.5
Rubber, Plastic and Leather	14.0	13.9	13.8	0.8	1.5	335.71	325.75	8.63	8.31	38.9	39.2
Nonmanufacturing	1,479.8	1,476.3	1,440.3	0.2	2.7						
Mining	6.4	6.1	6.8	5.1	-6.1	536.84	543.11	13.73	13.41	39.1	40.5
Metal Mining	5.2	4.9	5.6	6.0	-7.4	561.99	563.00	14.41	14.04	39.0	40.1
Construction	55.9	58.3	53.2	-4.1	5.2	552.66	575.27	15.10	15.59	36.6	36.9
Transport., Comm., & Pub. Util.	97.7	97.4	96.3	0.3	1.4						
Transportation	64.2	64.0	62.3	0.3	3.0						
Trucking and Warehousing	26.2	26.0	25.5	0.9	2.9	392.04	391.47	12.10	11.48	32.4	34.1
Communication and Public Util.	33.5	33.4	34.0	0.3	-1.5	552.42	535.01	13.88	13.21	39.8	40.5
Trade	455.4	459.1	447.5	-0.8	1.7	232.67	222.59	7.73	7.52	30.1	29.6
Wholesale	114.5	114.8	114.1	-0.3	0.3	408.72	366.82	10.40	9.73	39.3	37.2
Retail	340.9	344.3	333.4	-1.0	2.2	181.39	179.79	6.62	6.61	27.4	27.2
Building Materials	15.6	15.8	15.6	-1.3	0.2	323.57	312.56	8.56	8.54	37.8	36.6
General Merchandise	49.1	51.0	49.2	-3.7	-0.2	170.02	168.30	6.44	6.28	26.4	26.8
Food Stores	46.0	46.0	45.0	0.0	2.4	200.55	200.04	7.24	7.17	27.7	27.9
Automotive	38.4	38.2	37.1	0.5	3.6	329.12	325.44	8.80	8.99	37.4	36.2
Apparel	17.3	17.9	17.2	-3.4	0.9	122.75	124.58	5.48	5.37	22.4	23.2
Home Furnishings	14.3	14.5	13.4	-0.8	6.8	233.73	240.85	7.35	7.54	31.8	31.8
Eating and Drinking	113.6	113.7	110.7	-0.1	2.6	104.88	100.10	4.58	4.55	22.9	22.0
Fin., Insur., Real Est.	112.8	112.5	107.4	0.3	5.1						
Finance	53.1	52.8	51.1	0.6	3.9						
Insurance	41.5	41.4	39.2	0.4	6.1						
Real Estate	18.1	18.3	17.0	-1.1	6.5						
Services	435.0	433.4	422.2	0.4	3.0						
Personal Services	21.8	21.5	21.1	1.2	3.1						
Business Services	78.1	77.9	75.7	0.3	3.2						
Repair Services	19.2	19.2	18.3	0.0	4.8						
Health Services	140.2	140.3	138.1	-0.1	1.5						
Hospitals	42.9	49.1	50.0	-12.6	-14.1						
Nursing Homes	40.2	40.3	39.7	-0.3	1.1						
Legal Services	12.9	12.8	11.9	0.8	8.3						
Private Education	26.1	25.3	25.1	3.2	3.6						
Government	316.6	309.5	307.0	2.3	3.1						
Federal	32.8	32.6	31.2	0.4	5.0						
State	79.9	78.4	77.7	1.9	2.9						
Education	44.6	43.3	43.0	3.0	3.9						
Local	203.9	198.4	198.1	2.8	2.9						
Education	110.2	104.8	106.3	5.2	3.7						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Labor Market Conditions

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

Although the total number of claimants for unemployment benefits rose by only 356 or 0.5 percent between January and February, the number of claimants fell in each of the Februarys of the past three years and the average January to February change over the past eight years was a 1.1 percent decline. The largest over-the-month increase in both numerical and percentage terms was in construction where claimants rose by 1,680 or 8.1 percent. The average January to February rise in construction claimants over the past eight years was 5.6 percent. On the other hand, claimants in manufacturing dropped faster than they usually do in February declining by 1,025 or 5.6 percent. Manufacturing claimants on average fall by 4.9 percent in February. Over-the-year, claimants rose by 3,406 or 5.3 percent. The largest over-the-year increases were in manufacturing (1,665), services (987) and retail trade (739).

Table 1. Distribution of Insured Unemployed, by Age and Sex,

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	**67,839**	**78.5**	**100.0**	**100.0**
Under 45	51,510	79.0	76.5	74.0
Under 25	11,415	78.3	16.8	17.0
25-34	25,261	80.5	38.2	33.8
35-44	14,834	77.2	21.5	23.2
45 and Over	16,329	76.7	23.5	26.0
45-54	9,371	77.2	13.6	14.6
55 and Over	6,958	76.1	9.9	11.4

TABLE 2. Distribution of Insured Unemployed by Industry and Occupation,

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term1/ Unemployed	Women as Percent of Total
Total, All Industries	**67,839**	**100.0**	**14.8**	**21.5**
Ag., For., Fish.	2,134	3.2	10.7	10.9
Mining	3,337	4.9	5.7	3.2
Construction	22,344	32.9	4.8	2.6
Manufacturing	17,231	25.4	22.7	32.7
Public Utilities	3,0[illegible]	4.5	13.0	14.3
Wholesale Trade	3,505	[illegible]	20.4	19.8
Retail Trade	6,125	9.0	[illegible]	39.5
Finance, Insurance, Real Estate	1,139	1.7	28.5	[illegible]
Services	7,037	10.4	23.7	47.9
Public Admin.	1,172	1.7	23.2	28.6
Info. Not Available	765	1.1	2.1	26.6
Total, All Occupations	**67,839**	**100.0**	**14.8**	**21.5**
Prof., Tech., Mgr.	6,530	9.6	28.1	34.7
Clerical	4,806	7.1	24.8	77.6
Sales	2,106	3.1	24.0	34.5
Services	3,237	4.8	25.6	53.6
Farm., For., Fish.	1,771	2.6	13.3	10.8
Processing	2,507	3.7	15.9	36.3
Machine Trades	4,111	6.1	23.5	12.9
Benchwork	5,779	8.5	23.2	52.8
Structural Work	24,221	35.7	6.1	1.8
Miscellaneous	12,583	18.5	9.9	8.0
Info. Not Available	188	0.3	12.9	18.6

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., wehereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand

Occupation	Applicants (Supply) Feb. 1986	Job Openings (Demand) Feb. 1986	Supply/Demand Ratio	
			Feb. 1986	Feb. 1985
Total	**96,178**	**10,019**	**9.6**	**10.1**
Prof., Tech., Mgr.	11,798	1,264	9.3	9.3
Clerical	15,539	2,156	7.2	7.0
Sales	5,044	1,023	4.9	4.1
Domestic Services	1,402	102	13.7	14.2
Other Services	14,780	2,826	5.2	6.0
Farm., Fish., For.	2,163	118	18.3	35.0
Processing	1,781	309	5.8	9.7
Machine Trades	6,938	387	17.9	19.1
Benchwork	7,058	312	22.6	11.8
Structural Work	13,502	438	30.8	48.0
Mtr. Frght., Trans.	4,460	432	10.3	16.0
Pkg. & Mat. Hndlg.	10,813	584	18.5	26.5
Other	900	68	13.2	28.5

1/ Inexperienced and improperly coded job applicants are not included in this table.

Analysis of Local Conditions

MINNEAPOLIS-ST. PAUL MSA

By Bruce Steuernagel

The Twin Cities metropolitan area jobless rate was 5.5 percent in February, unchanged from the January figure. The direction of change in the unemployment rate is difficult to predict between January and February. Over the past 16 years, the rate has decreased 10 times, increased four times and stayed the same twice. The labor force increased by 0.8 percent between January and February, considerably more rapidly than it usually does (0.3 percent). Both the number of employed and unemployed increased more rapidly than usual during the month which indicates that although the job market may be showing some signs of renewed strength, jobs are not being created rapidly enough to handle all of those seeking work.

An over the year comparison indicates that layoffs by a large local computer firm and immigration from rural Minnesota may be combining to cause more rapid labor force and unemployment growth. The Twin Cities labor force was 3.6 percent higher in February than a year ago. This rate is considerably faster than the 2.4 percent growth rate which happened between February 1984 and 1985. In stark contrast, labor force in the balance of Minnesota, has dropped by 1.0 percent or nearly 9,000 in the past year. One must assume that some of those people, especially younger and more mobile workers, have moved to the Twin Cities, where job opportunities are more prevalent. Unemployment has risen most rapidly in the Twin Cities area in the cities of Bloomington and Minneapolis, up 28.7 percent and 17.5 percent respectively. The only metro area county to register a drop in the unemployment rate over the past year was Washington county.

The number of nonagricultural wage and salary jobs increased in February, but the growth was not uniform across all industries. The manufacturing sector once again was hit by layoffs. The number of manufacturing jobs is down from a year ago by 3.2 percent in the Twin Cities and 0.7 percent in the Nation. The electronics and computer industry, which is extremely important in the local economy, has experienced a greater relative cutback in jobs than at a national level. In February, local employment in electrical and nonelectrical machinery was 11.3 percent lower than last year while nationally it has dropped only 3.5 percent.

Although greater than seasonal job losses were registered in the construction industry, the year ahead is promising due to low interest rates. Government payrolls increased in February, but not as much as they normally do. On a seasonally adjusted basis, jobs were added in retail trade, finance/insurance/real estate, and service industries.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Feb. 1986	Jan. 1986	Feb. 1985	Feb. 1986	Jan. 1986	Feb. 1985	Feb. 1986	Jan. 1986	Feb. 1985
Minneapolis-St. Paul MSA*	1,328,447	1,318,385	1,282,301	72,846	72,459	65,194	5.5	5.5	5.1
REGION 11	1,230,971	1,221,245	1,188,181	64,585	64,135	57,562	5.2	5.3	4.8
Anoka	126,629	125,507	121,957	7,864	7,686	6,834	6.2	6.1	5.6
Carver	23,463	23,267	22,630	1,347	1,326	1,192	5.7	5.7	5.3
Dakota	127,403	126,472	123,184	7,155	7,180	6,623	5.6	5.7	5.4
Hennepin	574,063	569,195	553,465	28,061	27,537	24,206	4.9	4.8	4.4
Ramsey	277,713	275,632	268,436	14,306	14,320	13,107	5.2	5.2	4.9
Scott	28,813	28,597	27,778	2,276	2,271	2,055	7.9	7.9	7.4
Washington	72,887	72,575	70,731	3,576	3,815	3,545	4.9	5.3	5.0
Chisago*	17,067	16,948	16,486	1,540	1,545	1,435	9.0	9.1	8.7
Isanti*	15,246	15,118	14,698	1,269	1,252	1,150	8.3	8.3	7.8
Wright*	38,430	38,099	37,074	3,537	3,484	3,251	9.2	9.1	8.8
St. Croix, WI	26,733	26,975	25,862	1,915	2,043	1,796	7.2	7.6	6.9
Bloomington	49,860	49,498	47,852	2,494	2,509	1,938	5.0	5.1	4.0
Minneapolis	212,960	211,116	205,101	11,206	10,967	9,534	5.3	5.2	4.6
St. Paul	158,619	157,591	153,455	8,907	9,070	8,334	5.6	5.8	5.4

* Chisago, Isanti and Wright counties are a part of the Minneapolis/St. Paul-MN-WI MSA, but are included in Region 7.

Analysis of Local Conditions

MPLS-ST. PAUL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Feb. 1986	Jan. 1986	Feb. 1985	Jan. 1986	Feb. 1985	Feb. 1986	Feb. 1985	Feb. 1986	Feb. 1985	Feb. 1986	Feb. 1985
Total Nonagricultural	1,211.7	1,210.6	1,186.7	0.1	2.1						
Manufacturing	251.6	252.7	259.9	-0.5	-3.2	451.00	434.66	11.00	10.55	41.0	41.2
Durable Goods	159.7	160.7	166.6	-0.6	-4.2	460.79	442.04	11.05	10.45	41.7	42.3
Lumber and Furniture	7.4	7.2	6.9	1.9	6.8	456.82	451.97	12.28	11.77	37.2	38.4
Stone, Clay and Glass	2.3	2.5	2.6	-10.0	-12.8	422.22	363.21	11.35	9.79	37.2	37.1
Primary Metals	5.0	4.9	4.9	1.9	1.4	386.13	376.06	9.15	9.04	42.2	41.6
Fabricated Metals	29.7	29.7	28.6	0.1	3.7	509.46	481.62	12.13	11.44	42.0	42.1
Nonelectrical Machinery	65.2	65.9	73.6	-1.1	-11.5	477.34	468.69	11.53	10.58	41.4	44.3
Office and Computing	33.8	34.5	39.3	-2.1	-14.0	515.73	514.68	12.25	10.79	42.1	47.7
Electrical Machinery	16.2	16.2	18.2	-0.4	-11.5	350.43	318.30	8.61	8.12	40.7	39.2
Transportation Equipment	4.6	4.7	4.0	-1.3	14.0	659.84	640.78	14.19	13.93	46.5	46.0
Scientific Instruments	25.4	25.6	24.0	-0.6	5.8	431.54	414.75	9.83	9.97	43.9	41.6
Miscellaneous Manufacturing	4.0	4.0	3.6	0.0	12.3	423.58	369.75	9.54	9.86	44.4	37.5
Nondurable Goods	91.9	92.1	93.3	-0.2	-1.5	451.00	420.33	11.00	10.75	41.0	39.1
Food and Kindred	17.6	17.7	17.8	-0.5	-1.3	425.54	397.47	10.43	9.79	40.8	40.6
Textiles and Apparel	1.7	1.8	2.2	-1.5	-19.3	258.59	237.83	6.53	6.57	39.6	36.2
Paper and Allied	25.2	25.3	25.9	-0.2	-2.4	475.78	472.21	11.52	11.27	41.3	46.9
Printing and Publishing	30.3	30.4	29.9	-0.6	1.2	411.26	405.41	10.88	11.42	37.8	35.5
Chemicals and Petroleum	8.5	8.4	8.3	1.4	2.9	519.98	482.40	12.41	12.00	41.9	40.2
Rubber, Plastic and Leather	8.6	8.5	9.3	0.8	-7.9	380.42	372.49	9.68	9.22	39.3	40.4
Nonmanufacturing	960.2	957.9	926.8	0.2	3.6						
Mining	-	-	-	-	-						
Metal Mining	-	-	-	-	-						
Construction	39.8	41.8	37.0	-4.8	7.5	603.67	596.95	16.63	16.31	36.3	36.6
Transport., Comm., & Pub. Util.	68.6	68.5	65.6	0.1	4.5						
Transportation	47.2	47.1	43.8	0.1	7.6						
Trucking and Warehousing	16.4	16.3	15.4	0.6	6.8	382.43	393.28	12.92	12.29	29.6	32.0
Communication and Public Util.	21.4	21.4	21.8	0.1	-1.9	519.92	486.16	13.40	12.76	38.8	38.1
Trade	297.6	299.9	287.4	-0.8	3.5	250.06	240 [illegible]	8.28	8.14	30.2	29.5
Wholesale	78.1	78.2	77.8	-0.2	0.4	431.54	389.33	10.87	10.41	39.7	37.4
Retail	219.5	221.7	209.6	-1.0	4.7	194.92	192.78	7.14	7.14	27.3	27.0
Building Materials	9.0	9.1	8.6	-1.3	4.8	344.28	332.51	9.33	9.16	36.9	36.3
General Merchandise	36.0	37.3	35.4	-3.7	1.5	179.67	180.61	6.78	6.64	26.5	27.2
Food Stores	26.3	26.4	25.7	-0.2	2.6	243.25	239.93	8.75	8.36	27.8	28.7
Automotive	22.9	22.6	21.6	1.1	6.1	365.39	370.19	10.01	10.17	38.5	36.4
Apparel	11.5	11.6	11.4	-1.2	1.2	111.41	118.33	5.28	5.33	21.1	22.2
Home Furnishings	10.4	10.5	9.2	-1.1	12.5	190.74	253.74	6.51	7.88	29.3	32.2
Eating and Drinking	73.8	74.0	69.6	-0.3	6.0	112.04	95.67	4.85	4.67	23.1	20.7
Fin., Insur., Real Est.	86.9	86.7	82.1	0.3	5.9	334.02	325.13	8.01	8.74	41.7	37.2
Finance	36.8	36.5	35.6	0.8	3.5	382.62	332.87	9.11	9.17	42.0	36.3
Insurance	34.7	34.6	32.8	0.2	5.6	-	-	-	-	-	-
Real Estate	15.4	15.5	13.7	-0.6	12.6	221.74	218.71	7.13	7.01	31.1	31.2
Services	297.3	295.4	289.0	0.6	2.9						
Personal Services	15.5	15.5	14.9	0.5	4.4						
Business Services	68.3	67.5	66.9	1.2	2.0						
Repair Services	14.7	14.7	13.7	-0.1	7.9						
Health Services	79.1	79.1	78.0	0.0	1.4						
Hospitals	29.3	29.3	29.5	0.0	-0.6						
Nursing Homes	21.4	21.4	21.8	-0.1	-1.7						
Legal Services	9.6	9.6	9.1	0.0	5.4						
Private Education	16.8	16.1	16.6	4.2	0.9						
Government	170.1	165.7	165.6	2.6	2.7						
Federal	19.4	19.3	18.3	0.4	6.0						
State	51.8	50.6	51.3	2.4	1.0						
Education	29.1	28.1	28.0	3.7	3.9						
Local	98.8	95.8	96.0	3.2	2.9						
Education	53.7	50.9	52.4	5.4	2.3						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Analysis of Local Conditions

CENTRAL AND NORTHWEST MINNESOTA

By Ron Daws

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Feb. 1986	Jan. 1986	Feb. 1985	Feb. 1986	Jan. 1986	Feb. 1985	Feb. 1986	Jan. 1986	Feb. 1985
St. Cloud MSA[1]	**85,837**	**84,270**	**85,832**	**7,436**	**7,489**	**8,457**	**8.7**	**8.9**	**9.9**
REGION 1	**40,067**	**39,805**	**40,607**	**5,335**	**5,403**	**5,235**	**13.3**	**13.6**	**12.9**
Kittson	2,623	2,594	2,846	378	405	375	14.4	15.6	13.2
Marshall	5,152	5,116	5,342	1,186	1,198	1,097	23.0	23.4	20.5
Norman	3,526	3,473	3,675	441	408	404	12.5	11.7	11.0
Pennington	6,133	6,069	5,994	756	770	664	12.3	12.7	11.1
Polk	14,265	14,182	14,561	1,592	1,627	1,552	11.2	11.5	10.7
Red Lake	2,002	2,026	1,901	483	491	316	24.1	24.2	16.6
Rosseau	6,366	6,345	6,288	499	504	827	7.8	7.9	13.2
REGION 2	**29,490**	**29,133**	**30,333**	**4,279**	**4,220**	**3,834**	**14.5**	**14.5**	**12.6**
Beltrami	16,289	16,042	16,237	1,849	1,778	1,784	11.4	11.1	11.0
Clearwater	3,704	3,607	3,746	1,049	1,041	937	28.3	28.9	26.0
Hubbard	5,544	5,463	6,089	870	861	582	15.7	15.8	14.0
Lake of Woods	1,935	1,999	1,896	194	203	196	10.0	10.2	10.3
Mahnomen	2,018	2,022	2,365	317	337	335	15.7	16.7	14.2
REGION 4	**94,537**	**93,848**	**94,912**	**9,668**	**10,025**	**9,521**	**10.2**	**10.7**	**10.0**
Becker	11,553	11,505	11,651	1,903	2,033	1,761	16.5	17.7	15.1
Clay	27,228	27,102	26,228	2,000	1,998	1,783	7.3	7.4	6.8
Douglas	13,653	13,565	13,523	1,252	1,307	1,195	9.2	9.6	8.8
Grant	3,231	3,135	3,118	347	334	331	10.7	10.7	10.6
Otter Tail	23,220	23,101	24,203	2,663	2,807	3,016	11.5	12.2	12.5
Pope	4,678	4,636	4,706	565	590	508	12.1	12.7	10.8
Stevens	5,255	5,143	5,478	426	417	423	8.1	8.1	7.7
Traverse	2,245	2,201	2,404	220	206	205	9.8	9.4	8.5
Wilkin	3,474	3,460	3,601	292	333	299	8.4	9.6	8.3
REGION 5	**54,389**	**53,822**	**56,725**	**7,210**	**7,271**	**7,421**	**13.3**	**13.5**	**13.1**
Cass	8,680	8,514	9,252	1,513	1,523	1,442	17.4	17.9	15.6
Crow Wing	18,751	18,687	19,438	2,178	2,264	2,335	11.6	12.1	12.0
Morrison	12,819	12,622	13,338	1,793	1,721	1,894	14.0	13.6	14.2
Todd	9,594	9,479	10,021	1,135	1,149	1,152	11.8	12.1	11.5
Wadena	4,545	4,520	4,676	591	614	598	13.0	13.6	12.8
REGION 6E	**50,859**	**50,589**	**50,509**	**5,700**	**5,709**	**5,147**	**11.2**	**11.3**	**10.2**
Kandiyohi	16,911	16,951	17,379	1,542	1,562	1,621	9.1	9.2	9.3
McLeod	15,323	15,360	15,234	1,430	1,507	1,321	9.3	9.8	8.7
Meeker	9,243	8,976	8,328	1,682	1,522	1,062	18.2	17.0	12.8
Renville	9,382	9,302	9,568	1,046	1,118	1,143	11.1	12.0	11.9
REGION 7E	**55,460**	**55,232**	**54,891**	**6,217**	**6,295**	**5,949**	**11.2**	**11.4**	**10.8**
Chiscago	17,067	16,948	16,486	1,540	1,545	1,435	9.0	9.1	8.7
Isanti	15,246	15,118	14,698	1,269	1,252	1,150	8.3	8.3	7.8
Kanabec	5,801	5,749	5,738	824	827	818	14.2	14.4	14.3
Mille Lacs	8,422	8,442	8,826	1,037	1,043	1,101	12.3	12.9	12.5
Pine	8,924	8,975	9,143	1,547	1,628	1,445	17.3	18.1	15.8
REGION 7W	**124,267**	**122,369**	**122,906**	**10,973**	**10,973**	**11,708**	**8.8**	**9.0**	**9.5**
Benton	13,291	13,034	13,256	1,200	1,193	1,323	9.0	9.2	10.0
Sherburne	16,671	16,415	16,422	1,711	1,765	1,658	10.3	10.8	10.1
Stearns	55,875	54,821	56,154	4,525	4,531	5,476	8.1	8.3	9.8
Wright	38,430	38,099	37,074	3,537	3,484	3,251	9.2	9.1	8.8

1/ Benton, Stearns, and Sherburne Counties

ST. CLOUD MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	Feb. 1986	Jan. 1986	Feb. 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	62336	62278	60480	0.1	3.1
Total Manufacturing	11056	10955	10392	0.9	6.4
Durable Goods	6022	5937	5995	1.4	0.5
Nondurable Goods	5034	5018	4397	0.3	14.5
Total Nonmanufacturing	51280	51323	50088	-0.1	2.4
Construction	2029	2104	2099	-3.6	-3.3
Transp., Comm. & Pub. Util.	3669	3684	3622	-0.4	1.3
Wholesale Trade	3130	3150	2948	-0.6	6.2
Retail Trade	14382	14537	14441	-1.1	-0.4
Finance, Insur. & Real Estate	2207	2211	2093	-0.2	5.5
Service & Miscellaneous	13283	13008	12801	2.1	3.8
Government	12580	12629	12084	-0.4	4.1

The economy of the St. Cloud MSA continues to remain healthier than it was a year ago. Unemployment is down and employment is up (slightly). Over the same February to February period the unemployment rate rose slightly in the State and Twin Cities MSA. The unemployment rate was also lower in February than it was in January. Last year the rate remained the same over the month.

Although there was little overall change among nonagricultural wage and salary industries from January to February, 1986, compared with 1985, there occurred several significant employment changes. Nondurable Goods Manufacturing exhibited the strongest employment increase over the year in adding 637 or 14.5 percent more jobs. Among the Nonmanufacturing firms, Wholesale Trade, Finance, Insurance, Real Estate (F.I.R.E.) and Government enjoyed the largest percentage employment gains in adding a combined total of 792 jobs. The large Service & Miscellaneous category gained 482 jobs over the year. Overall, there were 1,856 more Nonagricultural wage and salary jobs this February than last. The only employment loss worth mention occurred in Construction and could be attributed to normal seasonal fluctuation.

By all indications the St. Cloud MSA economy continues to remain healthy and there are no foreseeable indications to change that outlook.

Analysis of Local Conditions

NORTHEAST MINNESOTA

By Michael Casey

High unemployment continues to plague local labor markets throughout northeastern Minnesota. This despite the over-the-month decline from more than fifteen percent of the area's labor force being out of work in January, to "only" 14.3 percent in February. Even with this apparent improvement, joblessness in the the seven county region remained considerably above the statewide rate (not seasonally adjusted) of 7.6 percent. Rates of unemployment ranged from the 11.3 percent in Koochiching County to 18.2 percent in Lake County.

The employment level reflected a modest gain of about 500 additional jobs for February, compared with the January estimate. There were nearly 1,900 fewer employment possibilities, however, when February's employment was compared with that of one year ago. One measure of the lack of jobs available is a comparison of the job openings received at area Job Service Offices. For the eight-month period from July 1985 through February 1986, such openings had declined by some 46 percent compared with the same period one year earlier. The number of applicants actively seeking work at month's end, however, had fallen by only slightly more than one percent. Competition for available job openings, therefore, remained extremely high throughout the region.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Feb. 1986	Jan. 1986	Feb. 1985	Feb. 1986	Jan. 1986	Feb. 1985	Feb. 1986	Jan. 1986	Feb. 1985
REGION 3	**134,225**	**135,032**	**138,056**	**19,190**	**20,507**	**21,145**	**14.3**	**15.2**	**15.3**
Aitkin	5,211	5,180	5,493	943	924	1,135	18.1	17.8	20.7
Carlton	10,893	10,931	11,380	1,732	1,791	1,496	15.9	16.4	13.1
Cook	2,233	2,254	2,445	254	253	300	11.4	11.2	12.3
Itasca	16,746	16,792	17,619	2,586	2,810	2,749	15.4	16.7	15.6
Koochiching	7,976	7,795	8,828	899	945	1,457	11.3	12.1	16.5
Lake	4,197	4,213	4,171	763	833	657	18.2	19.8	15.8
St. Louis	86,969	87,867	88,120	12,013	12,951	13,351	13.8	14.7	15.2
Duluth Only	**33,585**	**33,679**	**33,598**	**2,995**	**3,105**	**3,084**	**8.9**	**9.2**	**9.2**
Balance St. Louis	**53,384**	**54,188**	**54,522**	**9,018**	**9,846**	**10,267**	**16.9**	**18.2**	**18.8**

DULUTH AND DULUTH-SUPERIOR MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	Feb. 1986	Jan. 1986	Feb. 1985	Mo. Ago	Yr. Ago	Feb. 1986	Jan. 1986	Feb. 1985	Mo. Ago	Yr. Ago
Total Nonagricultural Wage & Salary	**40,400**	**40,560**	**39,440**	**-0.4**	**2.4**	**80,610**	**80,650**	**79,510**	**-0.1**	**1.4**
Total Manufacturing	**3,480**	**3,420**	**3,450**	**1.8**	**0.8**	**6,640**	**6,600**	**6,640**	**0.6**	**0.0**
Durable Goods	1,600	1,520	1,700	5.5	-5.9	3,630	3,550	3,900	2.2	-7.0
Nondurable Goods	1,880	1,900	1,750	-1.1	7.4	3,010	3,050	2,730	-1.2	10.2
Total Nonmanufacturing	**36,930**	**37,140**	**35,990**	**-0.6**	**2.6**	**73,970**	**74,050**	**72,880**	**-0.1**	**1.5**
Construction	750	740	850	0.5	-11.6	1,820	1,910	1,850	-4.6	-1.7
Trans., Comm., & Pub. Util.	2,660	2,700	2,620	-1.5	1.6	5,320	5,410	5,500	-1.6	-3.3
Wholesale Trade	1,680	1,680	1,700	0.0	-1.2	3,570	3,540	3,480	0.7	2.5
Retail Trade	10,440	10,580	10,530	-1.3	-0.9	17,610	17,800	17,370	-1.1	1.4
Finan., Insur., & Real Est.	1,750	1,730	1,720	1.2	1.7	2,980	3,000	2,940	-0.8	1.5
Services, Mining, & Miscel.	11,500	11,600	11,080	-0.8	3.8	23,390	23,380	23,100	0.0	1.2
Government	9,840	9,790	9,200	0.4	6.9	19,280	19,000	18,640	1.5	3.4

Analysis of Local Conditions

SOUTHERN MINNESOTA

By Michael Casey

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE Feb. 1986	Jan. 1986	Feb. 1985	UNEMPLOYMENT Feb. 1986	Jan. 1986	Feb. 1985	UNEMP. RATE Feb. 1986	Jan. 1986	Feb. 1985
REGION 6W	**25,294**	**24,927**	**26,807**	**2,896**	**2,699**	**2,791**	**11.4**	**10.8**	**10.4**
Big Stone	3,239	3,224	3,428	309	308	292	9.5	9.6	8.5
Chippewa	6,656	6,447	6,816	915	741	784	13.7	11.5	11.5
Lac Qui Parle	4,337	4,298	4,612	411	396	437	9.5	9.2	9.5
Swift	5,245	5,259	5,883	676	679	716	12.9	12.9	12.2
Yellow Medicine	5,817	5,699	6,068	585	575	562	10.1	10.1	9.3
REGION 8	**61,337**	**60,950**	**63,384**	**5,449**	**5,570**	**5,232**	**8.9**	**9.1**	**8.3**
Cottonwood	5,900	5,896	6,223	511	549	553	8.7	9.3	8.9
Jackson	6,251	6,064	6,178	759	676	445	12.1	11.1	7.2
Lincoln	3,258	3,230	3,490	333	336	331	10.2	10.4	9.5
Lyon	12,740	12,744	13,282	1,096	1,158	1,087	8.6	9.1	8.2
Murray	4,649	4,585	4,958	562	558	573	12.1	12.2	11.6
Nobles	10,522	10,466	10,832	874	892	886	8.3	8.5	8.2
Pipestone	5,355	5,256	5,598	317	305	342	5.9	5.8	6.1
Redwood	8,180	8,299	8,290	705	803	742	8.6	9.7	9.0
Rock	4,482	4,410	4,533	292	293	273	6.5	6.6	6.0
REGION 9	**108,897**	**107,790**	**109,238**	**9,232**	**9,105**	**8,963**	**8.5**	**8.4**	**8.2**
Blue Earth	27,323	26,899	27,454	1,804	1,719	1,686	6.6	6.4	6.1
Brown	13,460	13,430	13,516	1,230	1,284	1,309	9.1	9.6	9.7
Faribault	8,868	8,681	8,735	1,093	1,026	866	12.3	11.8	9.9
Le Sueur	10,725	10,607	10,212	1,299	1,298	1,210	12.1	12.2	11.8
Martin	12,199	12,037	12,436	1,128	1,059	1,055	9.2	8.8	8.5
Nicollet	14,391	14,311	14,628	824	924	929	5.7	6.5	6.4
Sibley	7,024	6,944	7,245	743	732	759	10.6	10.5	10.5
Waseca	9,381	9,360	9,105	716	677	665	7.6	7.2	7.3
Watonwan	5,526	5,521	5,907	395	386	484	7.1	7.0	8.2
REGION 10	**214,772**	**214,130**	**211,650**	**17,333**	**17,852**	**16,246**	**8.1**	**8.3**	**7.7**
Dodge	7,352	7,336	7,401	894	917	852	12.2	12.5	11.5
Fillmore	10,173	10,075	10,508	1,144	1,161	1,265	11.2	11.5	12.0
Freeborn	16,702	16,958	16,624	1,426	1,607	1,478	8.5	9.5	8.9
Goodhue	19,997	19,762	19,864	1,516	1,489	1,569	7.6	7.5	7.9
Houston	8,815	8,772	9,351	775	751	791	8.8	8.6	8.5
Mower	19,808	19,891	19,177	1,656	2,070	1,314	8.4	10.4	6.9
Olmsted	58,110	58,320	56,745	3,174	3,287	2,874	5.5	5.6	5.1
Rice	25,930	25,655	24,967	2,345	2,335	2,056	9.0	9.1	8.2
Steele	14,652	14,505	14,420	1,253	1,253	1,071	8.6	8.6	7.4
Wabasha	8,439	8,490	8,659	986	1,051	969	11.7	12.4	11.2
Winona	24,794	24,366	23,934	2,164	1,931	2,007	8.7	7.9	8.4
Rochester City	**35,327**	**35,446**	**34,384**	**2,135**	**2,196**	**1,836**	**6.0**	**6.2**	**5.3**

ROCHESTER MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT Feb. 1986	Jan. 1986	Feb. 1985	PERCENT CHANGE Month Ago	Year Ago
Total Nonagricultural Wage & Salary	**54,470**	**54,650**	**53,580**	**-0.3**	**1.7**
Total Manufacturing	**10,840**	**10,720**	**10,960**	**1.1**	**-1.1**
Durable Goods	8,990	8,870	9,290	1.4	-3.2
Nondurable Goods	1,850	1,850	1,670	0.0	10.6
Total Nonmanufacturing	**43,630**	**43,930**	**42,620**	**-0.7**	**2.4**
Construction & Mining	1,460	1,500	1,490	-3.0	-2.5
Transp., Comm., & Pub. Util.	1,820	1,810	1,840	0.5	-1.1
Wholesale Trade	1,160	1,220	1,210	-5.2	-4.5
Retail Trade	9,680	9,940	9,600	-2.6	0.8
Fin., Insur., & Real Estate	1,550	1,540	1,450	0.3	6.9
Total Services	22,180	22,160	21,450	0.1	3.4
Health Services	15,370	15,340	15,000	0.2	2.4
Other Services	6,810	6,820	6,440	-0.2	5.7
Government	5,800	5,760	5,580	0.7	3.9

The regional employment situation improved only slightly during February with employment levels increasing while the number of persons without jobs declined. Overall, the rate of unemployment edged downward by only 0.1 of one percentage point as an estimated 8.5 percent of the southern Minnesota labor force was out of work. While this was considerably higher than the statewide rate of 7.6 percent (not seasonally adjusted), it should be noted that the other areas of the state have even higher rates of unemployment. Only those counties including the Twin Cities and St. Cloud metropolitan areas are faring significantly better.

Even with comparatively low rates of unemployment, those seeking employment are still faced with fewer and fewer job openings. For the eight month period from July 1985 through February 1986 the number of openings received by area Job Service Offices had fallen 18.4 percent below the comparable period of one year earlier. Some 3,825 fewer openings were received, an average of nearly 500 fewer jobs each month. While job orders were declining, the supply of jobseekers, as measured by the number of registrations for work search through the Department's area offices, increased by more than 2,000 applicants, nearly ten percent above the year-ago level. Competition for the fewer jobs available is definitely intensifying.

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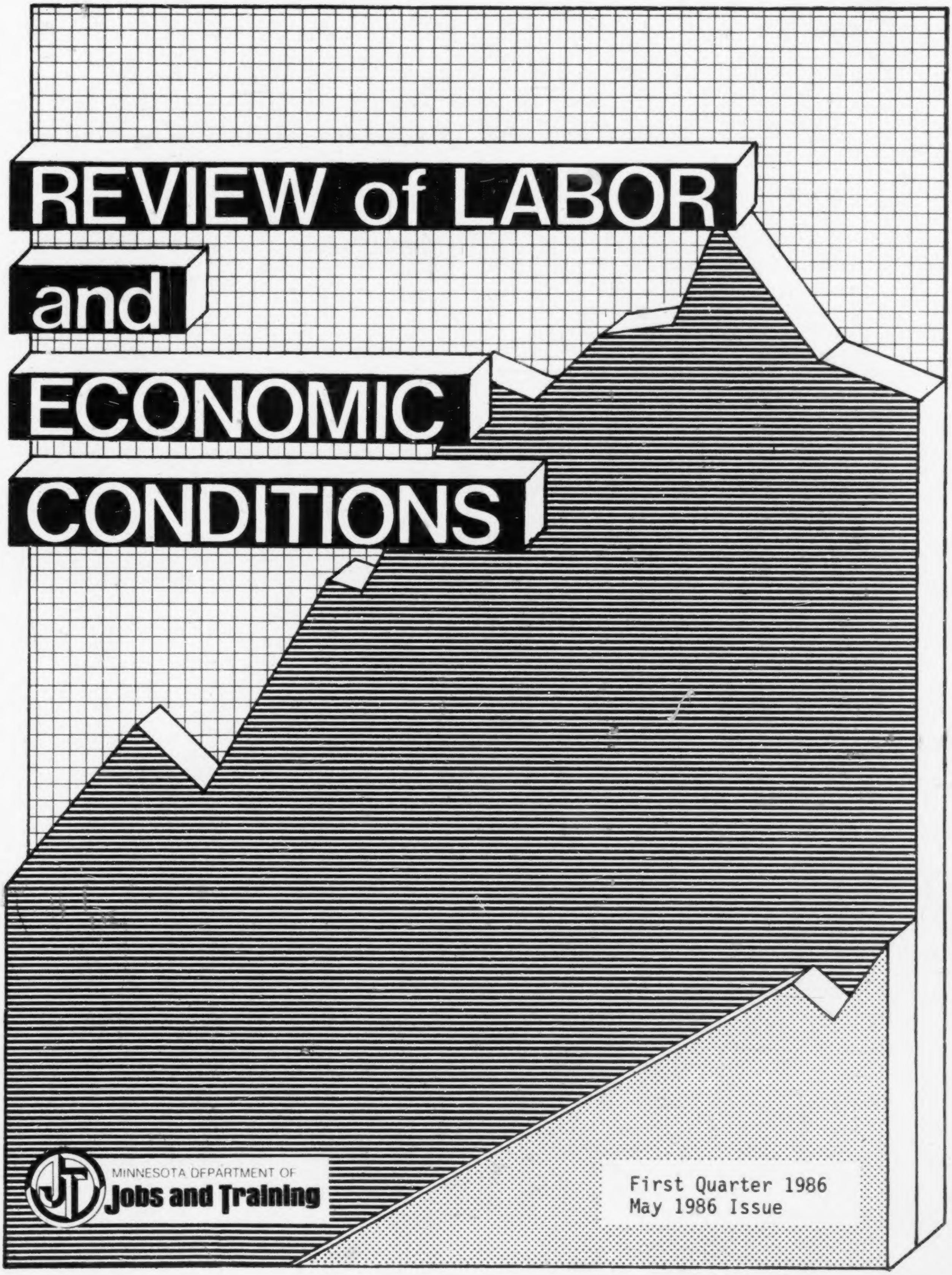

REVIEW of LABOR and ECONOMIC CONDITIONS

MINNESOTA DEPARTMENT OF
Jobs and Training

First Quarter 1986
May 1986 Issue

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Articles on labor market conditions and the economic welfare of Minnesota workers or general economic conditions within the State are welcome. Articles should be submitted complete with tables and graphs. Length should not exceed ten double-spaced typewritten pages, including graphs, references, and notes. The editorial board reserves the right to edit articles for length and clarity.

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Research Summaries

by Bruce Steuernagel

Bicuspids, Bachelors, and Benefits

The number of applicants to the Nation's 58 dental schools continues to drop. Between 1975 and 1985 the number of applicants dropped by 60 percent and the number of applicants per opening dropped from 2.7 to 1.3. First year enrollment stands at 4,829, down 23 percent from the peak level reached in 1978. Schools are stepping up campaigns to persuade potential students that there is a future in dentistry. The Bureau of Labor Statistics projects that between 1984 and 1995, the number of employed dentists will increase by 39,000 or 25 percent, assuming the moderate economic growth trend.

After two decades of steady growth, total enrollment in the nation's law schools has dropped in each of the last three years. Applications have dropped nearly 20% from their peak in 1982. At the 175 schools approved by the American Bar Association, about 40,800 students are enrolled in 1985-86. Despite the drop in applications, the number of law schools continues to grow. The Bureau of Labor Statistics has projected employment of lawyers to increase by 175,000 or 36 percent between 1984 and 1995.

Source: Scientific - Engineering Technical Manpower Comments, Vol. 23, No. 3, April 1986 "Occupational Employment Projections: the 1984-95 Outlook", Monthly Labor Review, November, 1985.

The following table shows annual average starting salary offers for 1984-85 bachelor's graduates in selected fields. The data was collected by the Placement Service of Michigan State University.

Starting Salaries for
1984-85 BA/BS Graduates

Electrical Engineering	$28,500
Mechanical Engineering	28,300
Chemical Engineering	28,176
Computer Science	27,100
Systems Scientist	26,500
Civil Engineering	24,300
Physics	24,000
Botany & Plant Pathology	20,700
Accounting	19,900
Chemistry	19,300
General Business	19,200
Marketing	19,000
Mathematics	18,700
Social Science	18,800
Psychology	18,700
Economics	17,900
Political Science	17,700
Biochemistry	17,600
Geology	16,900
Biological Science	16,500
Sociology	16,500
Animal Science	16,500
Crop Science	14,900
Zoology	14,000
Anthropology	12,000

The latest Survey on Employee Benefits by the U.S. Chamber of Commerce finds that the average payment per hourly employee for benefits in 1984 was 36.6% of payroll, averaging $3.79 per payroll hour and $7,842 per year. Benefit payments varied widely among the 1,154 firms reporting to the survey, ranging from less than 18% to more than 65% of payroll, and from less than $3,500 to more than $13,000 yearly per employee.

By type of industry, department stores averaged 29.1% of payroll compared with 45.4% in the primary metals industry. Non-manufacturing establishments averaged 34.8% compared with 38.8% for manufacturers. Benefits include legally required payments like Social Security, as well as optional benefits, payment for time not worked and a few extras such as Christmas bonuses, tuition refunds and suggestion plan payouts.

Hourly employees averaged $21,439 in total earnings ranging from $13,608 in department stores to $28,945 in the petroleum industry.

The Chamber of Commerce points out that although dollar benefits are up over 1981 - $7,842 compared with $6,627 - the percentage of total payroll represented by benefits has decreased slightly. In 1981, the items represented 37.3% of payroll compared with 36.6 in both 1983 and 1984.

Two annual surveys of hiring of college graduates show some differences in the outlook for technology graduates. However, the outlook is promising in both surveys for business graduates. According to Northwestern University's Endicott Report, a survey of 230 large firms, overall recruiting of 1986 graduates is up 22 percent over last year. Fields showing increases at the bachelor's level include economics/finance, up 28 percent; sales/marketing up 17 percent; business administration, up 10 percent; and accounting, up 7 percent. Offsetting these, according to the Endicott Survey, is a 6 percent decline in the demand for engineers; a 9 percent drop in opportunities for chemistry graduates; and a 5-6 percent drop in jobs for computer science and mathematic/statistics majors. Demand for graduates with master's degrees will increase, especially for accounting.

In contrast, the 1986 annual survey of 710 public and private sector employers conducted by Michigan State University shows the strongest demand is for graduates in engineering, particularly electrical or mechanical, and computer science. Demand is also high for graduates in marketing/sales and accounting. For the first time in ten years, education has moved into the top ten fields with the greatest percentage increase in demand, according to the Michigan State Survey.

John A. Alie and Martha Caldwell Harris have written an excellent article entitled "Employment Lessons from the Electronics Industry" in the February issue of the Monthly Labor Review. The article discusses factors which affect employment in two components of the U.S. electronics industry - consumer electronics and microelectronics. It also discusses, in brief, computer manufacturing. They conclude that semiskilled and unskilled workers in semiconductors, computer manufacturing, and consumer electronics industries are more likely to lose their jobs than other workers because of technology, imports, and offshore production by domestic companies. Advances in technology create jobs for skilled workers, however. The following table shows the employment change by industry in the electronics industry from 1974 through the first half of 1985.

Number of Jobs
(in 000's)

Industry	1974	1984	1985
Consumer Electronics	113.6	71.8	68.4
Microelectronics	148.3	273.0	283.3
Computers and Peripherals	217.0	460.9	456.9

The Job Market

SUPPLY/DEMAND FOR SPECIFIC OCCUPATIONS, APRIL, 1986[1]

By Susan Hamper

MINNESOTA

Shortage Occupations: experienced computer programmers, fast-food restaurant workers.

Surplus Occupations: entry level managers#, factory workers#, general laborers#.

CENTRAL MINNESOTA

Shortage Occupations: skilled cooks#.

Surplus Occupations: construction workers, factory workers#, general laborers#.

MINNEAPOLIS-ST. PAUL

Shortage Occupations: experienced computer programmers, skilled clerical workers#, fast food restaurant workers#.

Surplus Occupations: electronic technicians, cooks, janitors, factory workers.

NORTHEASTERN MINNESOTA

Shortage Occupations: none

Surplus Occupations: entry level managers#, teachers#, office clerical workers#, sales clerks#, machinists#, welders#, auto mechanics#, construction workers#, pipefitters#, electricians#, painters#, mining crafts#, laborers: construction, general, and mining#.

NORTHWESTERN MINNESOTA

Shortage Occupations: fast food restaurant workers.

Surplus Occupations: welders, assemblers, production workers, general laborers#.

SOUTHERN MINNESOTA

Shortage Occupations: licensed electricians, auto-body repairers, over-the-road truck drivers.

Surplus Occupations: entry level managers, clerical workers#, cashiers, retail sales clerks, construction workers#, general laborers.

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[1] Shortage occupations are those that are difficult to fill or go unfilled due to the lack of qualified applicants. Surplus occupations are those in which the number of qualified applicants greatly exceeds the number of openings.

# This occupation has been listed as a shortage or surplus occupation in at least two out of the last three quarters of the Review.

THE JOB MARKET (continued on page 22)

Forecasts

FORECASTS OF GNP & MINNESOTA PAYROLL EMPLOYMENT

By C. Cline

Forecasts for the next two years, beginning with the second quarter are given below. Real GNP is forecasted to grow at a rate of 7.34 percent from 1986:1 to 1987:1 and by 4.59 for 1987:1 - 1988:1. Minnesota non-agricultural employment's growth rates are forecasted at 5.29 percent and 6.16 percent respectively.

For the last three forecasts presented in the Review, the one-year ahead forecasts for Real GNP, ordered from those two quarters ago to the present one, are 7.77, 7.57, and 7.34 percent. If any change is to be detected it is one of moderate slowing in the national economy. This view is strengthened by noting the slower growth in the second one-year period of the present forecast and the fact that the one period ahead forecast for 1986:1 overstated the true value.

Considering the same factors, the view for Minnesota nonagricultural employment is for slight improvement. The forecasts for the same three periods are 5.51, 4.97, and 5.29 percent. Moreover, the one period ahead forecast for 1986:1 was below actual, although minutely (a -0.02 percent error).

The forecast errors for 1986:1, from left to right as in the table, are +0.99, -0.02, +22.85, +0.21, -1.02, +2.95, +4.35, -0.62, +1.18 and -0.75 percent.

Quarter	Real GNP (Billions of 1972 Dollars)	MINNESOTA PAYROLL EMPLOYMENT, BY QUARTER (In Thousands)								
		Total Nonagricultural Wage & Salary	Mining	Contract Construction	Manufacturing	Transportation, Communications, & Public Utilities	Retail and Wholesale Trade	Finance, Insurance, & Real Estate	Services	Government
Current										
1986:1	3,623.50	1,844.95	6.39	57.10	364.57	97.52	455.95	112.87	435.06	314.25
Forecasts										
1986:2	3,679.33	1,910.31	7.79	72.82	369.31	99.72	475.45	115.30	452.63	316.45
1986:3	3,753.71	1,938.92	8.53	86.56	386.63	100.11	483.01	117.10	460.57	291.70
1986:4	3,825.58	1,976.64	8.23	82.23	384.60	103.52	491.89	116.93	467.41	319.87
1987:1	3,889.43	1,942.61	7.68	62.50	384.25	101.69	476.15	117.26	465.55	322.52
1987:2	3,947.14	2,028.04	8.76	80.01	396.18	104.90	499.94	120.03	485.08	324.99
1987:3	3,995.01	2,069.77	8.98	94.99	418.30	106.13	508.48	122.10	491.59	301.62
1987:4	4,034.04	2,109.23	8.55	88.77	416.35	109.79	518.83	122.04	499.38	329.45
1988:1	4,068.10	2,062.23	8.08	66.12	413.44	107.16	501.18	122.36	496.93	332.22

Notes

1. These forecasts are produced using the Vector Autoregression Model Developed for Research by Rao Aiyagari.
2. The concept of employment forecasted is that of Nonagricultural Wage and Salary employment. The count represents the number of jobs held since the data is generated from a survey of employer payroll records. Groups included in labor force employment, but excluded here are the self employed, domestics, unpaid family workers.
3. Employment forecasts are seasonally unadjusted values. Real GNP is seasonally adjusted.
4. Forecasts of major industry employment do not sum to the forecast of total wage and salary employment. This is due to random error in the forecasted values.
5. There is great diversity in the accuracy of the forecasts among the major industry divisions, especially mining. More information on their accuracy can be obtained from the author on request.

Feature Article

MINNEAPOLIS/ST. PAUL EMPLOYMENT PROJECTIONS TO 1990

By Kevin Alaspa

A recently released publication, Minneapolis-St. Paul Metropolitan Area Employment Projections to 1990, presents the employment prospects for approximately 200 industry groups and 500 occupations throughout the remainder of the 1980's. Data in this publication is similar to that contained in the Minnesota Employment Outlook to 1990 (released last year), but focuses on the nine-county Twin City metropolitan area.

The methodology for developing the Twin Cities data was similar to that used to prepare the Statewide projections. Employment by industry was generated using the DASIE (Data Analysis System for Industry Employment) program, and reflect recent industry developments. The self-employmed, and non-administrative government workers were distributed into the appropriate industry catagories.After finalizing the industry employment projections, the industry-occupation staffing pattern matrix (furnished by the Bureau of the Census) was used to project the number of workers in each occupation within each industry. Occupational totals were then summed across all industries. Annual average separation rates were applied to each occupation to produce both the number of openings due to growth and separations, and the annual average number of job openings in each occupation.

The results suggest that employment prospects for the Twin Cities metropolitan area will continue to be favorable through 1990. Between 1982 and 1990, total employment is projected to increase by 18.9 percent in the Metro area, and by 15.8 percent for the State as a whole. While part of this increase is attributable to recovery from the 1981-82 recession it also reflects a strong economy during the latter part of the 1980's, with in the Metro area increases outpacing those Statewide.

Several industrial sectors in the Twin Cities metropolitan area are anticipated to undergo above-average growth through 1990. Most types of Manufacturing firms should continue to grow, especially small companies that produce specialized, high-technology oriented goods. Other strong areas will be Printing and Publishing, and Chemical and Allied Products Manufacturing. Wholesale and Retail Trade will continue to be an important part of the Twin Cities' economic base, with further growth anticipated in specialty retail businesses and firms offering new products and marketing approaches. The Services sector will also grow in importance as existing and newly emerging businesses such as Personal Services, Services to Businesses, Medical Services, Repair Services, Entertainment and Lodging continue to employ more workers.

Growth occupations in the remainder of the 1980's will be those which require skills and training applicable to the types of businesses which will be undergoing expansion. Lower-skilled and semi-skilled occupations will not experience growth, although there will be openings due to worker turnover. Occupational groups with above-average prospects include professional and technical workers with specialized training and experience, clerical workers with skills necessary to operate automated office equipment, jobs in personal and other types of service occupations, and experienced craft workers and machine operators needed by specialized manufacturing firms.

The following tables present data excerpted from the publication, and show projected employment levels for major categories of industries and occupations.

To obtain a copy of this report, please call the Research and Statistics Office at 297-3111.

Table 1
Minneapolis - St. Paul Industry Employment
(Annual Average)

Industry	1980	1982	1990	% Change 1980-90	% Change 1980-82	% Change 1982-90
Total, All Industries	1,107,174	1,086,955	1,292,370	16.7	-1.8	18.9
Agriculture, Forestry & Fisheries	9,561	9,128	7,642	-20.1	-4.6	-16.3
Mining, Total	687	820	908	32.2	19.4	10.7
Construction	49,349	44,545	53,086	7.6	-9.7	19.2
Manufacturing Total	251,162	238,692	290,113	14.3	-5.0	21.5
Durable Goods Manufacturing	163,583	153,335	190,056	16.2	-6.3	24.0
Nondurable Goods Manufacturing	87,579	85,357	100,057	14.3	-2.5	17.2
Transportation, Communications & Public Utilities	77,133	74,622	84,626	9.7	-3.3	13.4
Wholesale & Retail Trade, Total	274,823	270,704	332,154	20.9	-1.5	22.7
Wholesale Trade, Total	75,951	74,746	93,870	23.6	-1.6	25.6
Retail Trade, Total	198,872	195,958	238,284	19.8	-1.5	21.6
Finance, Insurance, & Real Estate	73,984	75,306	87,387	18.1	1.8	16.0
Services	331,644	335,939	395,788	19.3	1.3	17.8
Government, Total Administration	38,831	37,201	40,666	4.7	-4.2	9.3

Table 2
Annual Average Estimated Employment by Occupation
(Selected Occupational Categories*)
1980, 1982, and 1990
Minneapolis - St. Paul

Occupation	1980	1982	1990	% Change 1980-90	% Change 1980-82	% Change 1982-90
Total, Managerial & Professional	274,348	273,328	324,680	18.3	-0.4	18.8
Executive, Administrative, & Managerial Occupations	101,997	102,250	133,206	30.6	0.2	30.3
Management Related Occupations	38,016	37,569	44,185	16.2	-1.2	17.6
Professional Occupations	134,335	133,509	147,289	9.6	-0.6	10.3
Total, Technical	40,366	40,551	49,387	22.4	0.5	21.8
Health Technologists & Technicians	9,007	9,313	10,345	14.9	3.4	11.1
Engineering & Science Technologists & Technicians	16,229	16,019	19,931	22.8	-1.3	24.4
Other Technicians	15,100	15,219	19,111	26.6	0.8	25.6
Total, Sales	117,054	117,045	147,887	26.3	-0.0	26.4
Total, Clerical	215,457	214,708	256,275	18.9	-0.3	19.4
Supervisors, Clerical	11,102	10,959	12,730	14.7	-1.3	16.2
Secretaries, Stenographers & Typists	58,054	59,041	74,436	28.2	1.7	26.1
Information Clerks	12,916	12,980	15,215	17.8	0.5	17.2
Records Processing Clerks	39,752	38,975	44,777	12.6	-2.0	14.9
Office Machine Operators	17,390	16,599	16,956	-2.5	-4.5	2.2
Recording, Scheduling & Distributing Clerks	31,682	31,081	36,587	15.5	-1.9	17.7
Adjusters & Investigators	7,701	7,786	9,482	23.1	1.1	21.8
Other Clerical Occupations	36,860	37,287	46,092	25.0	1.2	23.6
Total, Service	166,803	165,063	190,361	14.1	-1.0	15.3
Food Service & Preparation Occupations	67,970	66,261	77,399	13.9	-2.5	16.8
Health Service Occupations	19,294	19,685	21,427	11.1	2.0	8.8
Personal Service Occupations	18,860	19,270	24,639	30.6	2.2	27.9
Total, Farming, Forestry & Fishing	10,063	8,465	3,745	-62.8	-15.9	-55.8
Total, Craft	112,839	106,018	126,598	12.2	-6.0	19.4
Mechanics & Repairers	33,381	32,361	41,589	24.6	-3.1	28.5
Construction Trades	35,259	32,120	37,210	5.5	-8.9	15.8
Precision Production Occupations	28,976	26,885	31,274	7.9	-7.2	16.3
Total, Machine Operators	127,150	120,852	147,722	16.2	-5.0	22.2
Machine Operators, Assemblers, & Inspectors	89,788	85,217	104,210	16.1	-5.1	22.3
Transportation & Material Moving Occupations	37,362	35,635	43,512	16.5	-4.6	22.1
Total, Laborers	43,112	40,846	45,666	5.9	-5.3	11.8

* Not all sub-groups are presented for every major occupational category.

Brief Analysis Of Economic Conditions

THE NATIONAL AND STATE ECONOMIES IN THE FIRST QUARTER

By Ben Boyle

Nation

After performing rather weakly in the first quarter, the Nation's economy picked up a little in April as sales, production and consumption recovered and the housing boom continued. Although most economists forecast strong growth in the second half of the year, they expect the sluggishness to persist through the second quarter.

Labor market conditions deteriorated in the first quarter as unemployment rose and the growth of payroll employment slowed. The seasonally adjusted unemployment rate climbed from 7.0 percent in the fourth quarter to 7.1 percent in the first quarter and was at 7.1 percent in April. Employment declines in oil and gas extraction and in manufacturing caused the average monthly growth of seasonally adjusted nonfarm payroll employment to slow from 290,000 in the fourth quarter to 249,000 in the first quarter and to 206,000 in April. As a result of the falling oil prices, employment in oil and gas extraction has dropped by 76,000 since January. Also, employment in manufacturing, which fell for the third month in April, was 85,000 below the January level. On the brighter side, employment in construction and finance and real estate jumped by 130,000 in April, reflecting the strength in the housing industry.

Although the growth of real gross national product was revised upward to 3.7 percent for the first quarter, much of the upward revision was due to an increase in unwanted auto inventories. In April, however, industrial production, retail sales, and personal spending showed considerably more strength than in the first quarter. Also in April, housing starts exceeded the 2 million mark for the third time this year.

State

The State's economy was quite healthy in terms of employment in the first quarter as both total and nonfarm payroll employment rose strongly. Also, after reaching a recent high in January, the unemployment rate has been dropping steadily. In April, however, both total and nonfarm employment fell substantially.

After climbing from 5.5 percent in May 1985 to 6.4 percent in January, the State's seasonally adjusted unemployment rate fell for the third consecutive month in April, to 5.8 percent from 6.1 percent in March. In the first quarter, seasonally adjusted total employment rose by 27,500 after a gain of only 3,100 in the fourth quarter. However, total employment dropped by 13,600 in April. Seasonally adjusted nonfarm payroll employment also advanced strongly in the first quarter, rising by 10,000 after an increase on only 5,600 in the fourth quarter. On the other hand, like total employment, payroll employment also declined in April. Gains of 3,360 in services, 2,940 in construction and 2,510 in government accounted for most of the first quarter jump in payroll employment. On the darker side, employment in durables goods manufacturing, particularly in office computing and electrical machinery, fell by 2,900 in the first quarter. A significant portion of the April decline in payroll employment was in office computing and eating and drinking places. Over-the-year, nonfarm payroll employment rose by nearly 27,000. The largest over-the-year gains were in services (14,500), government (7,600), trade (6,800) and finance-insurance-real estate (5,400). Employment in durables manufacturing especially in computing and electrical machinery has declined by 9,900 since April 1985.

Analysis of Local Conditions

MINNEAPOLIS-ST. PAUL MSA

by Bruce Steuernagel

The number of nonagricultural wage and salary jobs in the Twin Cities area increased in April, but once again jobs were added at a slower pace than typically would be expected. The only two industries to add jobs on a seasonally adjusted basis were finance, insurance, and real estate and the services industry. The services industry showed some renewed vigor in April, but the two industry groups which in the past have accounted for the bulk of job demand, business and health services, turned in mixed performances.

Spring usually brings an upturn in construction activity. The number of jobs added between March and April this year was below normal, probably due to extremely wet conditions which curtailed many projects.

The manufacturing sector also added jobs at a slower than usual pace. As in past months, cutbacks were most pronounced in the machinery industry groups, especially electronics. Average hourly wages for manufacturing production workers were up by 3.8 percent from a year ago. This is slightly higher than the 3.4 percent hike between 1983 and 1984, but is considerably below the average of the past ten years which was nearly 7 percent.

The unemployment rate in the Minneapolis-St. Paul MSA decreased by a larger than usual amount between March and April. Over the past 16 years for which monthly estimates have been made, the unemployment rate has dropped by an average of 0.3 of a percentage point. This year's decrease was 0.6 of a percentage point. While this appears to be a favorable development, a closer look at the employment and unemployment numbers do not seem to support the conclusion that the area's labor market is expanding briskly. The number of unemployed workers dropped sharply in April, a 12.1 percent decline compared to the 16 year average drop of 5.9 percent. However, the rate of increase in employment in April this year was 0.7 percent, only half as fast as the 16-year average of 1.5 percent. In fact the 0.7 percent increase this year is the smallest increase in the 16 years for which records are available.

Despite the present slow growth period, most economic forecasters are looking for an upswing in the National, State, and local economies in the second half of 1986. This is based on the impact of lower interest rates, oil prices, and lower value of the dollar.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	April 1986	March 1986	April 1985	April 1986	March 1986	April 1985	Apr. 1986	Mar. 1985	Apr. 1986
Minneapolis-St. Paul MSA*	**1,326,812**	**1,326,622**	**1,291,505**	**62,021**	**70,457**	**58,697**	**4.7**	**5.3**	**4.5**
REGION 11	**1,231,656**	**1,230,391**	**1,197,620**	**56,215**	**62,967**	**52,396**	**4.6**	**5.1**	**4.4**
Anoka	126,322	126,292	122,850	6,635	7,421	6,240	5.3	5.9	5.1
Carver	23,312	23,368	22,628	1,024	1,232	913	4.4	5.3	4.0
Dakota	126,869	127,255	123,841	5,687	6,900	5,774	4.5	5.4	4.7
Hennepin	575,724	574,278	558,872	25,484	27,790	22,777	4.4	4.8	4.1
Ramsey	278,289	277,706	270,755	12,837	14,065	12,127	4.6	5.1	4.5
Scott	28,255	28,618	27,685	1,512	2,058	1,630	5.4	7.2	5.9
Washington	72,885	72,874	70,989	3,036	3,501	2,935	4.2	4.8	4.1
Chisago*	16,923	17,116	16,422	1,276	1,575	1,177	7.5	9.2	7.2
Isanti*	14,975	15,174	14,849	890	1,185	1,126	5.9	7.8	7.6
Wright*	37,540	38,039	36,771	2,376	3,115	2,511	6.3	8.2	6.8
St. Croix, WI	25,718	25,902	25,843	1,264	1,615	1,487	4.9	6.2	5.8
Bloomington	**50,093**	**49,976**	**48,272**	**2,359**	**2,568**	**1,765**	**4.7**	**5.1**	**3.7**
Minneapolis	**213,996**	**213,172**	**207,431**	**10,676**	**11,239**	**9,338**	**5.0**	**5.3**	**4.5**
St. Paul	**158,926**	**158,657**	**154,811**	**8,052**	**8,812**	**7,816**	**5.1**	**5.6**	**5.0**

* Chisago, Isanti and Wright counties are a part of the Minneapolis/St. Paul-MN-WI MSA but are included in Region 7.

Analysis of Local Conditions

MPLS-ST. PAUL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	April 1986	March 1986	April 1985	March 1986	April 1985	April 1986	April 1985	April 1986	April 1985	April 1986	April 1985
Total Nonagricultural	**1,224.3**	**1,211.4**	**1,202.4**	**1.1**	**1.8**	-	-	-	-	-	-
Manufacturing	**251.7**	**250.8**	**258.3**	**0.4**	**-2.6**	**454.16**	**431.33**	**11.05**	**10.65**	**40.8**	**40.5**
Durable Goods	159.7	159.0	165.4	0.5	-3.4	456.71	441.83	10.90	10.57	41.9	41.8
Lumber and Furniture	7.9	7.6	7.0	3.5	12.7	506.91	509.04	11.68	12.11	43.4	41.9
Stone, Clay and Glass	2.7	2.4	2.8	12.9	-3.2	492.83	373.06	12.29	10.10	40.1	36.9
Primary Metals	5.0	5.0	4.8	-0.2	3.0	384.92	386.82	9.32	9.20	41.3	42.0
Fabricated Metals	30.3	29.7	28.7	1.9	5.7	498.89	468.23	11.85	11.30	42.1	41.4
Nonelectrical Machinery	64.3	64.8	72.1	-0.7	-10.8	472.98	463.32	11.48	10.80	41.2	42.8
Office and Computing	32.8	33.5	38.6	-2.1	-15.0	507.13	492.17	12.22	11.11	41.5	44.2
Electrical Machinery	15.6	15.7	17.7	-0.2	-11.7	353.87	318.24	8.61	8.16	41.1	38.7
Transportation Equipment	4.7	4.6	4.3	2.9	10.6	664.82	656.35	14.39	13.76	46.2	47.7
Scientific Instruments	25.2	25.2	24.4	-0.2	3.1	426.12	408.29	10.05	9.90	42.4	41.2
Miscellaneous Manufacturing	4.1	4.0	3.7	0.4	10.1	396.72	375.82	9.12	9.89	43.5	37.9
Nondurable Goods	92.0	91.8	92.9	0.2	-1.0	424.32	414.02	10.88	10.80	39.0	38.2
Food and Kindred	17.9	17.7	17.8	1.7	0.8	404.88	407.30	10.25	9.91	39.5	41.0
Textiles and Apparel	1.5	1.5	2.2	1.7	-30.7	263.03	237.47	6.94	6.55	37.9	36.2
Paper and Allied	25.1	25.1	25.8	-0.2	-2.9	473.80	444.96	11.50	11.38	41.2	39.1
Printing and Publishing	30.3	30.3	30.1	-0.1	-0.7	406.26	410.55	10.98	11.49	37.0	35.7
Chemicals and Petroleum	8.5	8.5	8.2	-0.1	4.2	499.95	466.76	12.53	12.02	39.9	38.8
Rubber, Plastic and Leather	8.6	8.7	8.8	-0.9	-2.1	377.28	353.98	9.60	9.02	39.3	39.2
Nonmanufacturing	**972.6**	**960.6**	**944.1**	**1.3**	**3.0**	-	-	-	-	-	-
Mining	-	-	-	-	-	-	-	-	-	-	-
Metal Mining	-	-	-	-	-	-	-	-	-	-	-
Construction	43.1	39.7	42.6	8.7	1.2	615.51	619.51	16.37	16.25	37.6	38.1
Transport., Comm., & Pub. Util.	68.3	68.2	66.9	0.1	2.0	-	-	-	-	-	-
Transportation	47.4	47.4	44.8	0.0	5.8	-	-	-	-	-	-
Trucking and Warehousing	16.1	16.4	15.7	-1.9	2.4	381.06	388.96	13.14	12.26	29.0	31.6
Communication and Public Util.	20.9	20.8	22.1	0.3	-5.6	527.82	441.21	13.89	12.28	38.0	35.8
Trade	300.6	297.4	292.2	1.1	2.9	254.50	240.72	8.29	8.16	30.7	29.4
Wholesale	78.6	78.4	77.6	0.3	1.2	427.75	399.24	10.94	10.59	39.1	37.6
Retail	222.1	219.1	214.6	1.4	3.5	201.76	190.72	7.18	7.09	28.1	26.8
Building Materials	9.6	9.0	9.3	6.2	3.4	312.93	331.95	9.15	9.17	34.2	36.1
General Merchandise	35.4	35.4	34.8	0.2	1.7	197.79	178.36	6.94	6.67	28.5	26.6
Food Stores	26.6	26.2	26.0	1.5	2.5	288.66	238.29	8.49	8.41	34.0	28.3
Automotive	23.1	22.9	22.2	1.1	4.1	390.25	367.95	10.11	9.75	38.6	37.6
Apparel	11.4	11.4	11.7	0.4	-1.8	123.04	110.31	5.67	5.05	21.7	21.7
Home Furnishings	10.4	10.5	9.4	-0.4	11.5	173.54	239.40	6.22	7.60	27.9	31.4
Eating and Drinking	76.0	74.1	72.6	2.4	4.6	108.11	98.18	4.87	4.72	22.2	20.7
Fin., Insur., Real Est.	89.0	87.8	83.5	1.3	6.6	326.41	314.00	8.14	8.65	40.1	36.3
Finance	37.7	37.3	35.4	1.1	6.6	360.60	324.58	8.86	8.82	40.7	36.8
Insurance	35.3	34.9	33.4	1.1	5.7	311.06	-	7.55	-	41.2	-
Real Estate	16.0	15.6	14.7	2.4	8.4	208.80	191.60	7.20	7.06	29.0	27.1
Services	302.2	297.5	293.3	1.6	3.0						
Personal Services	16.0	15.7	15.2	2.0	5.7						
Business Services	68.6	67.7	66.6	1.5	3.1						
Repair Services	14.7	14.8	13.9	-0.3	5.9						
Health Services	79.4	79.3	79.4	0.2	0.1						
Hospitals	29.4	29.5	30.6	-0.2	-3.9						
Nursing Homes	21.6	21.4	21.4	0.6	1.0						
Legal Services	9.8	9.7	9.4	1.1	3.8						
Private Education	17.0	17.0	16.5	0.5	2.6						
Government	169.5	170.1	165.6	-0.3	2.3						
Federal	19.5	19.5	18.8	0.2	3.8						
State	51.7	51.9	51.1	-0.3	1.1						
Education	28.8	29.0	27.4	-0.8	5.1						
Local	98.3	98.8	95.7	-0.5	2.7						
Education	53.7	54.1	52.1	-0.8	3.0						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Analysis of Local Conditions

CENTRAL AND NORTHWEST MINNESOTA

LABOR FORCE ESTIMATES									
AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	April 1986	March 1986	April 1985	April 1986	March 1986	April 1985	April 1986	March 1986	April 1985
St. Cloud MSA [1/]	**88,100**	**85,436**	**85,382**	**5,847**	**7,060**	**6,898**	**6.6**	**8.3**	**8.1**
REGION 1	**41,784**	**40,159**	**42,869**	**5,266**	**5,579**	**5,025**	**12.6**	**13.9**	**11.7**
Kittson	2,863	2,707	3,046	427	454	370	14.9	16.8	12.1
Marshall	5,525	5,197	5,831	998	1,155	961	18.1	22.2	16.5
Norman	3,778	3,554	4,015	407	464	431	10.8	13.1	10.7
Pennington	6,286	6,151	6,212	665	748	655	10.6	12.2	10.5
Polk	14,337	14,020	14,964	1,562	1,757	1,660	10.9	12.5	11.1
Red Lake	2,102	2,063	2,102	448	508	324	21.3	24.6	15.4
Roseau	6,893	6,467	6,699	759	493	624	11.0	7.6	9.3
REGION 2	**29,778**	**29,534**	**31,385**	**3,539**	**4,182**	**3,577**	**11.9**	**14.2**	**11.4**
Beltrami	16,088	16,299	16,605	1,575	1,839	1,526	9.8	11.3	9.2
Clearwater	3,721	3,636	3,841	810	961	797	21.8	26.4	20.7
Hubbard	5,937	5,669	6,474	714	921	757	12.0	16.2	11.7
Lake of Woods	1,898	1,898	1,981	161	164	188	8.5	8.6	9.5
Mahnomen	2,134	2,032	2,484	279	297	309	13.1	14.6	12.4
REGION 4	**98,385**	**94,845**	**100,353**	**7,863**	**9,211**	**8,309**	**8.0**	**9.7**	**8.3**
Becker	12,610	11,961	12,587	1,460	1,833	1,456	11.6	15.4	11.6
Clay	27,470	27,218	26,814	1,825	1,906	1,752	6.6	7.0	6.5
Douglas	14,159	13,629	14,309	991	1,172	1,111	7.0	8.6	7.8
Grant	3,156	3,208	3,663	275	323	275	8.7	10.1	7.5
Otter Tail	24,299	23,193	25,589	2,134	2,578	2,470	8.8	11.1	9.7
Pope	4,929	4,658	5,180	406	506	422	8.2	10.9	8.1
Stevens	5,579	5,260	5,628	327	408	342	5.9	7.8	6.1
Traverse	2,459	2,244	2,659	155	195	170	6.3	8.7	6.4
Wilkin	3,724	3,474	3,924	290	290	311	7.8	8.3	7.9
REGION 5	**55,920**	**54,277**	**59,471**	**5,723**	**6,761**	**6,226**	**10.2**	**12.5**	**10.5**
Cass	8,827	8,606	9,877	1,194	1,403	1,202	13.5	16.3	12.2
Crow Wing	19,157	18,783	20,132	1,690	2,005	1,997	8.8	10.7	9.9
Morrison	13,140	12,791	13,918	1,356	1,701	1,548	10.3	13.3	11.1
Todd	10,078	9,522	10,698	966	1,050	1,010	9.6	11.0	9.4
Wadena	4,718	4,575	4,846	517	602	469	11.0	13.2	9.7
REGION 6E	**52,258**	**50,735**	**53,330**	**4,509**	**5,362**	**4,598**	**8.6**	**10.6**	**8.6**
Kandiyohi	17,506	17,030	18,154	1,254	1,503	1,335	7.2	8.8	7.4
McLeod	15,545	15,200	15,631	1,009	1,294	1,046	6.5	8.5	6.7
Meeker	9,454	9,283	9,048	1,199	1,480	1,072	12.7	15.9	11.8
Renville	9,753	9,222	10,497	1,047	1,085	1,145	10.7	11.8	10.9
REGION 7E	**55,183**	**55,286**	**55,647**	**4,726**	**5,911**	**5,112**	**8.6**	**10.7**	**9.2**
Chisago	16,923	17,116	16,422	1,276	1,575	1,177	7.5	9.2	7.2
Isanti	14,975	15,174	14,849	890	1,185	1,126	5.9	7.8	7.6
Kanabec	5,804	5,767	5,967	627	762	760	10.8	13.2	12.7
Mille Lacs	8,471	8,402	9,028	785	969	873	9.3	11.5	9.7
Pine	9,010	8,827	9,381	1,148	1,420	1,176	12.7	16.1	12.5
REGION 7W	**125,640**	**123,475**	**122,153**	**8,223**	**10,175**	**9,409**	**6.5**	**8.2**	**7.7**
Benton	13,669	13,238	13,200	984	1,151	1,096	7.2	8.7	8.3
Sherburne	16,976	16,536	16,257	1,281	1,581	1,282	7.5	9.6	7.9
Stearns	57,455	55,662	55,925	3,582	4,328	4,520	6.2	7.8	8.1
Wright	37,540	38,039	36,771	2,376	3,115	2,511	6.3	8.2	6.8

1/ Benton, Stearns, and Sherburne Counties

ST. CLOUD MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT					
INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	April 1986	March 1986	April 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	**64,548**	**63,641**	**62,917**	**1.4**	**2.6**
Total Manufacturing	**11,471**	**11,032**	**10,660**	**4.0**	**7.6**
Durable Goods	6,504	6,044	6,144	7.6	5.9
Nondurable Goods	4,967	4,988	4,516	-0.4	10.0
Total Nonmanufacturing	**53,077**	**52,609**	**52,257**	**0.9**	**1.6**
Construction	2,373	2,086	2,651	13.8	-11.7
Transp., Comm. & Pub. Util.	3,704	3,619	3,676	2.3	0.8
Wholesale Trade	3,183	3,133	3,040	1.6	4.7
Retail Trade	15,927	15,899	14,927	0.2	6.7
Finance, Insur. & Real Estate	2,236	2,225	2,142	0.5	4.4
Service & Miscellaneous	13,477	13,242	13,235	1.8	1.8
Government	12,177	12,405	12,586	-1.9	-3.4

ST. CLOUD AREA

By Ron Daws

Compared with April 1985, there were 1,050 fewer jobless workers in the St. Cloud MSA this April, and 3,770 more jobs. The net effect of these two trends was to lower last year's 8.1 percent unemployment rate to 6.6 percent this April.

Over the month, or from March to April, the unemployment rate dropped from 8.3 percent to 6.6 as the number of jobs increased by 3,877 and the number of jobless decreased by 1,215. From March to April of 1985, the number of jobs had increased more modestly at 1,075, and the decrease in the number of jobless was only 1,040.

The industries most responsible for the increase in jobs over the year were durable and nondurable goods (up 5.9 and 10.0 percent respectively), and the large retail trade sector (up 6.7 percent or 1,000 jobs). Although construction lost 11.7 percent of its jobs over the year, the much larger government cell, though losing only 3.4 percent of its jobs, accounted for 1,000 workers compared with construction's 278. Construction's 13.8 percent gain in jobs over the month (March-April) was primarily seasonal.

Not reflected in the April data was a seasonal May layoff of about 100 workers at Franklin Manufacturing (St. Cloud's second largest manufacturer and a builder of refrigeration units). This move, necessary because of declining customer orders, will show up in May's durable goods employment cell and the unemployment rate.

Analysis of Local Conditions

NORTHEAST MINNESOTA

By Mike Casey

The regional employment situation registered its strongest improvement of the year in April. Employment gains combined with unemployment declines in six of the seven counties in northeastern Minnesota. Both developments were somewhat stronger than in either of the past two years for the March-to-April period. Overall, the rate of unemployment dropped by more than two percentage points as a result of these seasonal changes.

Employment growth was primarily concentrated in two industries as indicated by the number of claims filed for unemployment benefits. Such claims fell by more than 1,800 in number, or nearly 25 percent below the March level. Claims in the mining industry accounted for sixty percent of this improvement, while claims from construction workers dropped another 25 percent of the overall decline. With the exception of the durable goods sector of manufacturing all other industries also recorded declines of smaller degrees over the month.

With the strong employment growth in the mining and construction sectors of the regional economy leading the way, rates of unemployment fell in six counties in the area. Only Cook County failed to register some improvement in the rate of joblessness from the March level. It should be noted, however, that Cook County estimates showed only 16 fewer jobs and two more persons unemployed.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	April 1986	March 1986	April 1985	April 1986	March 1986	April 1985	April 1986	March 1986	April 1985
REGION 3	**133,679**	**133,533**	**136,973**	**14,931**	**17,815**	**15,488**	**11.2**	**13.3**	**11.3**
Aitkin	5,165	5,172	5,540	829	917	951	16.1	17.7	17.2
Carlton	11,212	11,001	11,536	1,406	1,540	1,346	12.5	14.0	11.7
Cook	2,179	2,193	2,447	248	246	288	11.4	11.2	11.8
Itasca	17,110	16,979	17,899	2,351	2,551	2,261	13.7	15.0	12.6
Koochiching	7,823	7,698	8,801	848	850	1,384	10.8	11.0	15.7
Lake	4,154	4,215	4,252	626	734	578	15.1	17.4	13.6
St. Louis	86,036	86,275	86,498	8,623	10,977	8,680	10.0	12.7	10.0
Duluth Only	**34,259**	**33,589**	**34,902**	**2,666**	**2,860**	**3,144**	**7.8**	**8.5**	**9.0**
Balance St. Louis	**51,777**	**52,686**	**51,596**	**5,957**	**8,117**	**5,536**	**11.5**	**15.4**	**10.7**

DULUTH AND DULUTH-SUPERIOR MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	April 1986	March 1986	April 1985	Mo. Ago	Yr. Ago	April 1986	March 1986	April 1985	Mo. Ago	Yr. Ago
Total Nonagricultural Wage & Salary	**41,310**	**40,600**	**40,890**	**1.7**	**1.0**	**83,380**	**81,080**	**84,610**	**2.8**	**-1.5**
Total Manufacturing	**3,530**	**3,510**	**3,600**	**0.6**	**-1.9**	**6,750**	**6,710**	**6,800**	**0.6**	**-0.7**
Durable Goods	1,640	1,620	1,720	1.2	-4.7	3,710	3,670	3,920	1.1	-5.4
Nondurable Goods	1,890	1,890	1,890	0.0	0.0	3,040	3,040	2,890	0.0	5.2
Total Nonmanufacturing	**37,780**	**37,090**	**37,280**	**1.9**	**1.3**	**76,630**	**74,370**	**77,810**	**3.0**	**-1.5**
Construction	1,000	830	1,000	20.5	0.0	2,260	1,950	2,240	15.9	0.9
Trans., Comm., & Pub. Util.	2,950	2,700	2,970	9.3	-0.7	5,660	5,390	5,930	5.0	-4.6
Wholesale Trade	1,690	1,660	1,740	1.8	-2.9	3,560	3,500	3,540	1.7	0.6
Retail Trade	8,750	8,680	8,900	0.8	-1.7	17,620	17,590	17,900	0.2	-1.6
Finan., Insur., & Real Est.	1,760	1,740	1,750	1.1	0.6	3,050	3,020	3,020	1.0	1.0
Services, Mining, & Miscel.	11,760	11,600	11,260	1.4	4.4	25,060	23,640	25,600	6.0	-2.1
Government	9,870	9,890	9,660	-0.2	2.2	19,420	19,270	19,580	0.8	-0.8

Analysis of Local Conditions

SOUTHERN MINNESOTA

By Mike Casey

LABOR FORCE ESTIMATES									
AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	April 1986	March 1986	April 1985	April 1986	March 1986	April 1985	Apr. 1986	Mar. 1986	Apr. 1985
REGION 6W	**26,189**	**25,203**	**28,701**	**2,052**	**2,713**	**2,349**	**7.8**	**10.8**	**8.2**
Big Stone	3,372	3,236	3,660	226	291	274	6.7	9.0	7.5
Chippewa	6,682	6,620	7,319	621	879	673	9.3	13.3	9.2
Lac Qui Parle	4,568	4,341	4,951	274	378	356	6.0	8.7	7.2
Swift	5,466	5,199	6,163	517	627	602	9.5	12.1	9.8
Yellow Medicine	6,101	5,807	6,608	414	538	444	6.8	9.3	6.7
REGION 8	**63,871**	**61,271**	**67,835**	**4,312**	**5,140**	**4,290**	**6.8**	**8.4**	**6.3**
Cottonwood	6,285	5,890	6,587	451	506	448	7.2	8.6	6.8
Jackson	6,526	6,280	6,784	608	730	398	9.3	11.6	5.9
Lincoln	3,518	3,238	3,893	279	305	274	7.9	9.4	7.0
Lyon	13,162	12,787	13,788	871	1,000	849	6.6	7.8	6.2
Murray	4,881	4,578	5,445	405	518	437	8.3	11.3	8.0
Nobles	10,722	10,398	11,374	620	777	747	5.8	7.5	6.6
Pipestone	5,584	5,403	5,862	277	298	239	5.0	5.5	4.1
Redwood	8,522	8,198	9,163	583	692	669	6.8	8.4	7.3
Rock	4,671	4,499	4,939	218	314	229	4.7	7.0	4.6
REGION 9	**111,176**	**108,619**	**113,891**	**7,364**	**8,697**	**7,456**	**6.6**	**8.0**	**6.5**
Blue Earth	27,598	27,181	28,057	1,371	1,623	1,414	5.0	6.0	5.0
Brown	13,717	13,388	14,001	894	1,088	1,018	6.5	8.1	7.3
Faribault	9,351	8,928	9,189	865	1,038	641	9.3	11.6	7.0
Le Sueur	10,862	10,612	11,290	1,045	1,181	1,114	9.6	11.1	9.9
Martin	12,437	12,193	12,893	953	1,047	867	7.7	8.6	6.7
Nicollet	14,635	14,354	14,948	692	767	783	4.7	5.3	5.2
Sibley	7,277	7,013	7,853	690	797	733	9.5	11.4	9.3
Waseca	9,506	9,464	9,511	517	802	505	5.4	8.5	5.3
Watonwan	5,793	5,486	6,149	337	354	381	5.8	6.5	6.2
REGION 10	**217,601**	**214,093**	**218,032**	**13,785**	**16,068**	**13,543**	**6.3**	**7.5**	**6.2**
Dodge	7,843	7,349	7,943	703	832	631	9.0	11.3	7.9
Fillmore	10,819	10,268	11,404	874	1,096	1,008	8.1	10.7	8.8
Freeborn	17,027	16,518	17,423	1,187	1,253	1,178	7.0	7.6	6.8
Goodhue	20,337	19,846	20,349	1,142	1,381	1,300	5.6	7.0	6.4
Houston	9,273	8,790	9,459	586	746	644	6.3	8.5	6.8
Mower	19,547	19,702	20,076	1,420	1,570	1,127	7.3	8.0	5.6
Olmsted	57,340	57,767	57,375	2,508	2,952	2,596	4.4	5.1	4.5
Rice	26,032	25,830	25,495	1,826	2,082	1,667	7.0	8.1	6.5
Steele	15,139	14,737	14,723	1,059	1,210	924	7.0	8.2	6.3
Wabasha	8,893	8,416	9,337	741	893	779	8.3	10.6	8.3
Winona	25,351	24,870	24,448	1,739	2,053	1,689	6.9	8.3	6.9
ROCHESTER CITY	**34,825**	**35,079**	**34,763**	**1,696**	**1,961**	**1,666**	**4.9**	**5.6**	**4.8**

ROCHESTER MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT					
INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	April 1986	March 1986	April 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	**54,430**	**54,100**	**54,800**	**0.6**	**-0.7**
Total Manufacturing	**10,480**	**10,510**	**11,220**	**-0.3**	**-6.6**
Durable Goods	8,670	8,670	9,520	0.0	-8.9
Nondurable Goods	1,810	1,840	1,700	-1.6	6.5
Total Nonmanufacturing	**43,950**	**43,600**	**43,580**	**0.8**	**0.8**
Construction & Mining	1,570	1,480	1,720	6.1	-8.7
Transp., Comm., & Public Util.	1,830	1,850	1,890	-1.1	-3.2
Wholesale Trade	1,160	1,170	1,250	-0.9	-7.2
Retail Trade	9,780	9,540	9,900	2.5	-1.2
Finan., Insur., & Real Estate	1,550	1,540	1,490	0.6	4.0
Total Services	22,350	22,190	21,700	0.7	3.0
Health Services	15,470	15,430	15,050	0.3	2.8
Other Services	6,890	6,770	6,650	1.8	3.6
Government	5,710	5,830	5,630	-2.1	1.4

Labor force developments showed some improvement over the month of March. Employment increased while the number of persons without jobs declined in each of the four economic development regions in southern Minnesota. These improvements combined to lower the overall rate of unemployment from eight to 6.6 percent. This strong improvement was expected as this seasonal pattern of employment growth has been evident in previous years.

Employment gains were strongest in two industries, as indicated by the number of claims filed for unemployment benefits. Overall, such claims fell by nearly 2,600 in number, or twenty percent below the March level. Claims in the construction industry accounted for one-half of this improvement, with each of the area's economic regions recording a remarkably consistent decline of about thirty percent. Claims from workers in layoff status from firms manufacturing durable goods products dropped by another five hundred filings. Together, the construction and manufacturing industries accounted for seven of every ten fewer claims over the month.

Many of those unemployed during March benefitted from the seasonal employment expansion. Unemployment rates fell in each of the area's thirty-four counties over the month. However, rates of unemployment are still higher than one year earlier in eighteen counties, while another three counties have shown no improvement.

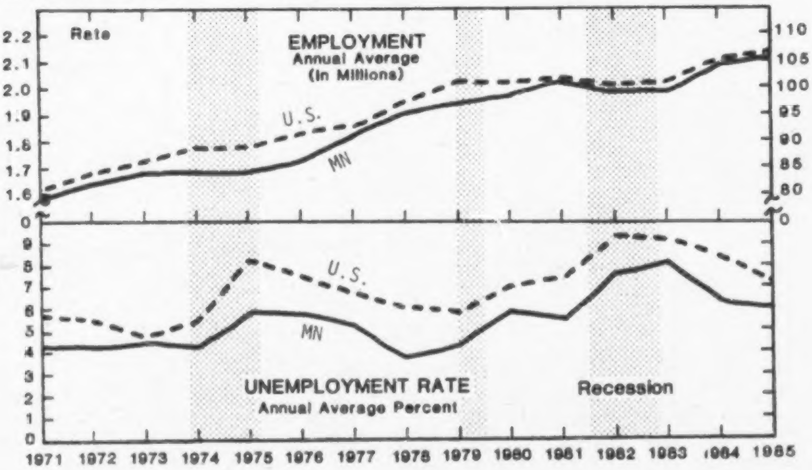
Labor Force Statistics

Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	April 1986	Change From Last Mo.	Change From Year Ago	April 1986	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2,243.1	21.7	14.8	116.3	0.0	2.0
Employed	2,104.6	43.8	14.1	108.2	0.6	2.0
Unemployed	138.5	-22.1	0.7	8.1	-0.6	0.0
Unemployment Rate						
Actual	6.2	-1.0	0.0	7.0	-0.5	-0.1
Seasonally Adjusted	5.8	-0.3	0.0	7.1	-0.1	-0.2

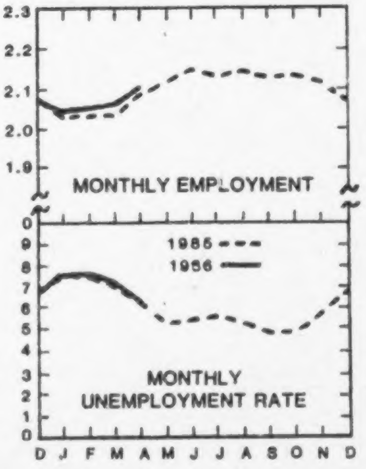
Historical Labor Force Series

Year	Minnesota (Annual Average in Thousands)				United States (Annual Average in Millions)			
	Labor Force	Employment	Unemployment Number	Unemployment Rate	Labor Force	Employment	Unemployment Number	Unemployment Rate
1970	1625.0	1557.0	68.0	4.2	82.8	78.7	4.1	4.9
1971	1664.0	1592.0	73.0	4.4	84.4	79.4	5.0	5.9
1972	1704.0	1630.0	73.0	4.3	87.0	82.2	4.9	5.6
1973	1766.0	1686.0	80.0	4.5	89.4	85.1	4.4	4.9
1974	1769.0	1691.0	77.0	4.3	91.9	86.8	5.2	5.6
1975	1790.0	1684.0	106.0	5.9	93.8	85.8	7.9	8.5
1976	1850.0	1740.0	109.0	5.9	96.2	88.8	7.4	7.7
1977	1909.0	1811.0	98.0	5.1	99.0	92.0	7.0	7.1
1978	1979.0	1903.0	76.0	3.8	102.3	96.0	6.2	6.1
1979	2039.0	1954.0	85.0	4.2	105.0	98.8	6.1	5.8
1980	2111.0	1985.0	125.0	5.9	106.9	99.3	7.6	7.1
1981	2154.0	2035.0	119.0	5.5	108.7	100.4	8.3	7.6
1982	2167.0	1998.0	170.0	7.8	110.2	99.5	10.7	9.7
1983	2176.0	1998.0	178.0	8.2	111.6	100.8	10.7	9.6
1984	2229.0	2088.0	141.0	6.3	113.5	105.0	8.5	7.5
1985	2234.0	2101.0	133.0	6.0	115.5	108.0	8.3	7.2

MN and the U.S., Employment & Unemployment Rate



MN, 1985 and 1986



Labor Market Conditions

The table and graphs in this section describe the behavior of the market for labor services in terms of its quantity, price, and supply. The quantity of labor services, which is the number of employed persons, is classified by industry. The price of labor services is roughly indicated by the industry wage. Unemployment estimates provide a qualified measure of excess labor supply. The degree to which persons participate in the labor market and the effectiveness of the market in utilizing labor services are indicated by Labor Force Estimates and by Other Rates of Labor Utilization.

Labor Force & Establishment Data	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Thousands)		
	FIRST QUARTER 1986	Percent Change from		FIRST QUARTER 1986	Percent Change from	
		Last Qtr.	Year Ago		Last Qtr.	Year Ago
Labor Force Estimates						
Total Labor Force						
Actual	2,218.0	-1.1	1.3	115,822	-0.2	1.8
Seasonally Adjusted	2,267.8	1.5	1.3	117,027	0.8	1.7
Employment						
Actual	2,051.9	-2.9	1.2	107,095	-1.1	2.1
Seasonally Adjusted	2,125.3	1.2	1.2	108,768	0.7	2.0
Unemployment						
Actual	166.1	27.7	3.4	8,727	11.7	-1.8
Seasonally Adjusted	142.5	6.1	3.2	8,259	1.2	-1.7
Unemployment Rates						
Actual	7.5	29.3	2.7	7.5	11.9	-3.8
Seasonally Adjusted	6.3	5.0	1.6	7.1	1.4	-2.7
Other Rates of Labor Utilization						
Participation Rt. (Labor Force/Population (16+)	70.2	0.3	-0.1	65.1	0.3	0.5
Full Employment Deficit - Percent of Workers1/	3.5	1.8	3.3	3.5	2.7	3.8
Manpower Utilization Rate2/	83.9	0.2	0.3	83.0	-0.1	0.2
Nonagricultural Wage & Salary Positions						
Employment*	1,886.0	0.5	1.6	99,662	0.9	3.1
Mining	7.0	-22.2	-2.8	925	-3.1	-5.2
Construction	72.8	2.2	3.6	4,883	2.6	7.6
Manufacturing	371.5	0.3	-2.2	19,424	0.2	-0.7
Durables	221.0	-0.3	-4.1	11,516	0.0	-1.4
Nondurables	150.5	1.1	0.8	7,908	0.5	0.3
Trans., Comm., & Public Utilities	99.1	0.2	1.5	5,350	0.2	1.6
Trade	472.0	0.4	1.6	23,790	1.3	4.0
Fin., Ins., & Real Estate	113.8	1.1	4.8	6,126	1.4	5.4
Services	442.1	0.8	3.0	22,630	1.2	5.2
Government	307.7	0.8	3.1	16,534	0.2	2.6
Average Weekly Hours*						
Mining	39.9	2.0	0.8	42.9	-1.4	-0.7
Construction	37.3	-1.3	-1.8	37.2	-0.8	-1.8
Manufacturing	40.4	0.2	0.5	40.8	0.0	1.0
Durables	41.1	0.2	0.0	41.4	0.0	1.0
Nondurables	39.5	0.0	1.3	39.8	-0.3	1.0
Trans., Comm., & Public Utilities	37.0	-0.5	-2.1	39.3	-0.3	-0.3
Trade	30.6	1.3	2.0	31.7	0.0	-0.9
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	36.7	0.8	0.8
Services	n.a.	n.a.	n.a.	32.9	0.3	0.3
Average Hourly Wage						
Mining	13.62	6.7	2.1	12.23	1.4	2.9
Construction	14.95	-2.9	-4.2	12.26	-0.6	-0.2
Manufacturing	10.29	1.1	3.4	9.69	0.7	2.6
Durables	10.47	0.1	4.9	10.28	0.5	2.8
Nondurables	10.03	2.2	1.3	8.84	0.9	2.8
Trans., Comm., & Public Utilities	11.97	-0.1	3.5	11.59	0.4	3.0
Trade	7.72	1.3	2.7	7.01	1.2	1.6
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	8.21	1.9	4.7
Services	n.a.	n.a.	n.a.	8.20	1.2	4.3

1/ Four percent is a generally agreed upon criteria for measuring full employment. It allows for the movement of persons between jobs. Labor Force Unemployment Rate less four percent, based on official estimates.

2/ Estimated worker hours expended in nonfarm payroll employment as a percent of potential worker hours assuming that each member of the nonfarm labor payroll labor force was employed at a standard rate of 40 hours per week.

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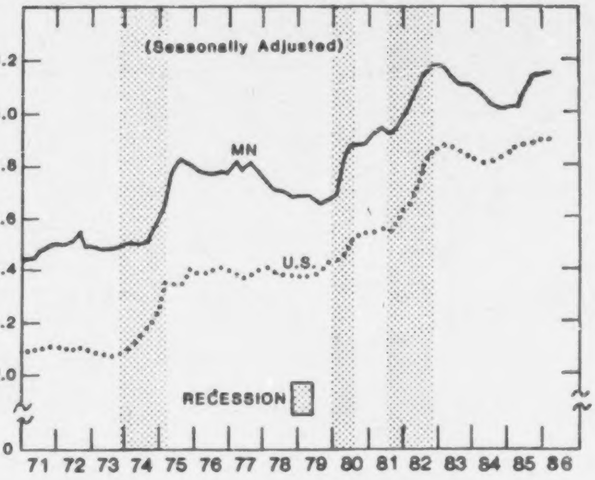
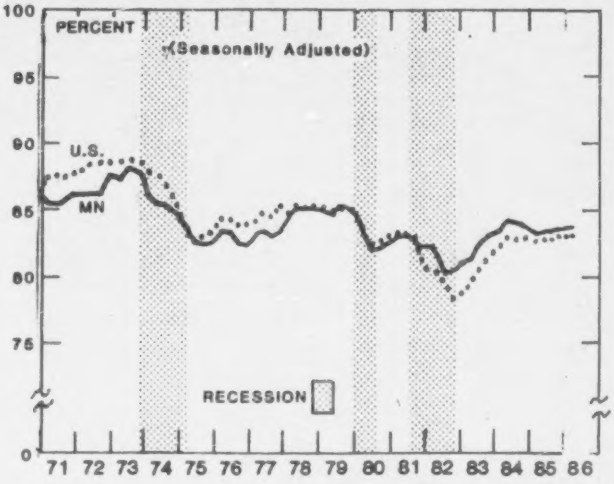
Labor Market Conditions

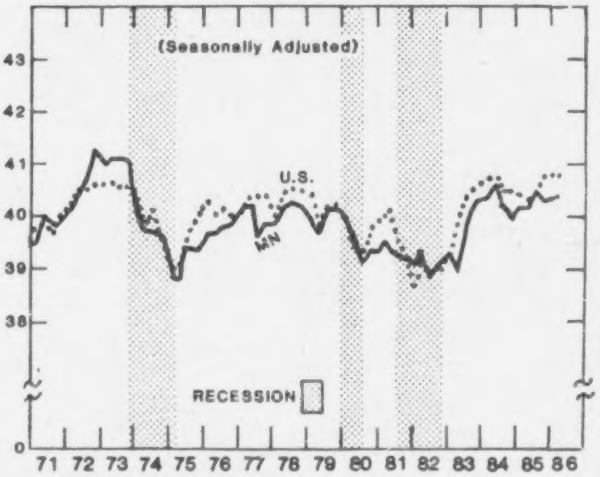
Ratio of Services to Goods Producing Jobs



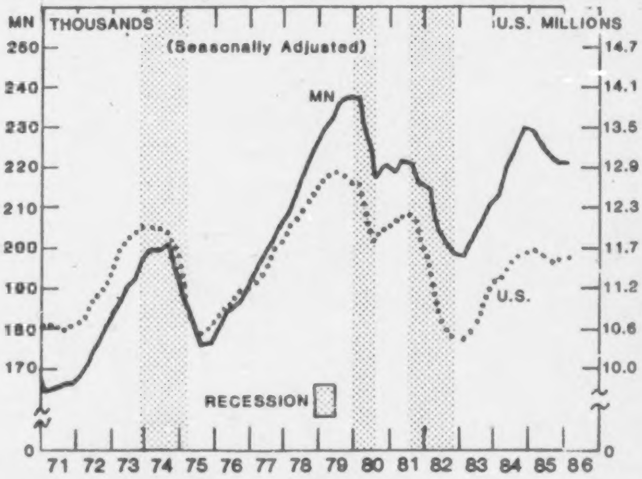
Manpower Utilization Rate



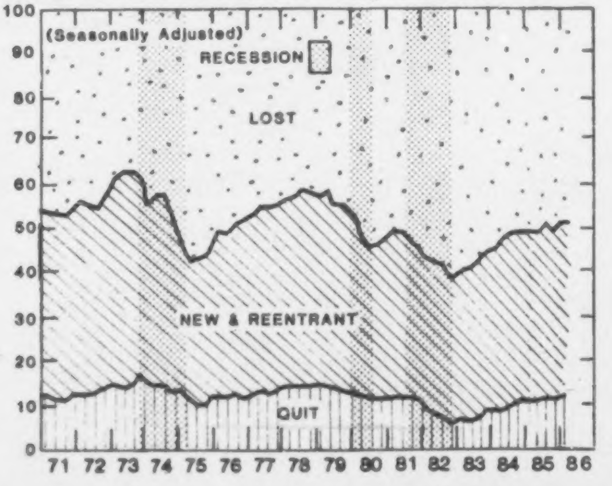
Average Weekly Hours, Manufacturing



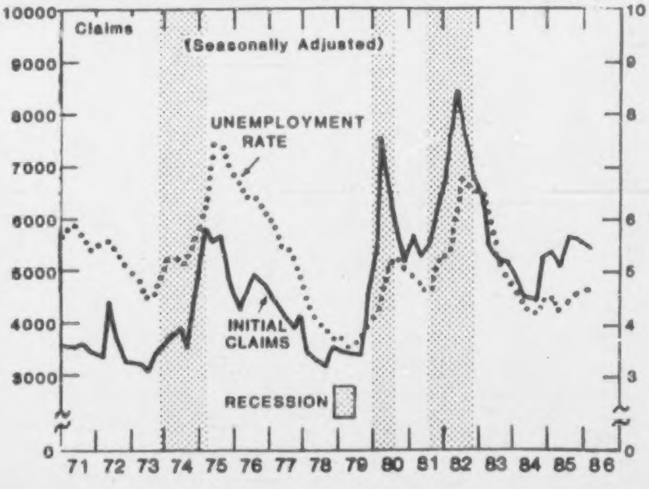
Manufacturing Employment, Durable Goods



U.S. Unemployment:
Percent Distribution by Reason



MN Weekly Initial Claims &
Handbook Unemployment Rate



Labor Market Conditions

The Table below provides data on persons who file claims for unemployment compensation in Minnesota. Only those claiming benefits from the regular State program are represented, since data on the characteristics of Federal employees and veterans are not available, and data on those receiving benefits from extended programs is reported only when those programs are in effect. If those receiving extended benefits were included they would distort the numerical comparisons over time, but would not substantially change the percentage distributions other than to increase the proportion of long-term unemployed.

Persons Claiming Benefits	FIRST QUARTER 1986			APRIL 1986			
	Number	Percent Change From		Number	Percent Change From		Percent Long Term
		Last Qtr.	Year Ago		Month Ago	Year Ago	
By Age & Sex							
Male	52,144	75.3	4.3	38,811	-23.6	3.2	35.6
Under 45	39,935	73.2	3.1	29,714	-23.4	2.6	35.5
16-24	8,850	70.9	-4.2	6,019	-27.3	-10.0	38.2
25-34	19,902	75.1	3.1	15,031	-22.9	3.7	35.0
35-44	11,183	71.7	9.8	8,664	-21.4	11.3	34.5
45 and Over	12,209	82.4	8.2	9,097	-24.0	5.1	35.7
45-54	7,001	83.0	7.6	5,103	-25.4	5.5	34.1
55 and Over	5,208	81.5	9.1	3,994	-22.2	4.7	37.9
Female	14,714	21.5	11.2	13,752	-5.0	15.5	27.0
Under 45	10,882	19.7	11.0	10,134	-5.5	14.5	26.3
16-24	2,506	21.9	4.1	2,166	-10.4	1.3	26.7
25-34	5,003	19.7	10.3	4,736	-5.4	14.3	26.2
35-44	3,373	18.3	17.9	3,232	-1.9	25.9	26.0
45 and Over	3,832	26.8	11.7	3,618	-3.9	18.3	28.9
45-54	2,174	25.3	13.1	2,074	-3.3	18.6	26.8
55 and Over	1,658	28.8	9.9	1,544	-4.6	18.0	31.8
By Industry	**66,858**	**59.7**	**5.7**	**52,563**	**-19.4**	**6.1**	**33.3**
Ag., For., Fish.	2,074	106.2	12.6	1,064	-43.6	10.3	55.7
Mining	3,309	42.5	-8.8	1,437	-50.1	71.7	70.9
Construction	21,332	173.5	2.5	14,554	-30.7	-1.9	40.4
Manufacturing	17,401	20.6	8.9	15,553	-7.0	4.0	29.9
Pub. Utilities	3,014	95.2	2.1	2,673	-13.8	10.4	30.9
Wholesale Trade	3,505	37.1	-1.9	3,077	-13.1	0.5	28.7
Retail Trade	6,052	51.1	17.7	5,417	-12.6	15.5	25.8
Fin., Ins., Real Est.	1,150	18.8	-0.1	1,122	-5.3	7.4	30.3
Services	7,081	23.0	14.4	6,363	-8.5	16.0	25.4
Public Admin.	1,169	24.0	2.8	766	-29.7	6.4	33.5
Inf. Not Available	771	45.2	-7.0	537	-24.4	3.7	3.8
By Occupation	**66,858**	**59.7**	**5.7**	**52,563**	**-19.4**	**6.1**	**33.3**
Prof., Tech., Mgr.	6,522	14.9	33.0	6,207	-5.3	34.0	28.6
Clerical	4,800	20.5	21.7	4,654	-5.0	22.9	27.0
Sales	2,081	31.3	27.0	1,963	-7.6	24.5	27.1
Services	3,288	26.1	8.2	2,872	-10.4	9.5	25.3
Farm., For., Fish.	1,729	99.7	9.2	920	-41.6	7.2	49.7
Processing	2,695	50.5	-4.2	2,578	6.9	5.3	30.8
Machine Trade	4,060	21.1	16.3	3,241	-16.7	-3.0	29.3
Benchwork	5,741	9.6	6.1	5,059	-7.6	7.5	28.0
Structural Work	23,226	148.4	2.8	15,967	-30.3	-1.3	38.4
Misc.	12,506	73.0	-6.8	8,885	-25.9	-1.7	38.1
Inf. Not Available	210	13.5	-47.0	217	-6.9	-35.0	46.8
By Duration	**66,858**	**59.7**	**5.7**	**52,563**	**-19.4**	**6.1**	
0-14 Weeks	54,916	57.2	1.4	35,060	-26.5	5.2	
15+ Weeks (Long-Term)	11,942	72.4	31.2	17,503	-0.3	8.1	

Labor Market Conditions

MINNESOTA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	April 1986	March 1986	April 1985	March 1986	April 1985	April 1986	April 1985	April 1986	April 1985	April 1986	April 1985
Total Nonagricultural	**1,876.1**	**1,849.9**	**1,849.3**	**1.4**	**1.4**						
Manufacturing	**365.1**	**364.4**	**373.5**	**0.2**	**-2.3**	**415.31**	**402.20**	**10.28**	**10.03**	**40.4**	**40.1**
Durable Goods	217.9	217.5	227.7	0.2	-4.3	433.46	414.29	10.47	10.08	41.4	41.1
Lumber and Furniture	17.3	17.0	16.2	1.7	6.3	466.62	453.87	11.11	11.07	42.0	41.0
Stone, Clay and Glass	6.7	6.1	7.6	9.7	-11.5	410.78	364.00	10.56	10.40	38.9	35.0
Primary Metals	6.1	6.3	6.3	-2.5	-3.5	400.15	403.60	9.55	9.43	41.9	42.8
Fabricated Metals	36.5	36.2	35.7	0.8	2.1	470.41	439.68	11.39	10.75	41.3	40.9
Nonelectrical Machinery	82.6	83.4	92.4	-0.9	-10.6	443.47	441.61	10.79	10.44	41.1	42.3
Office and Computing	41.9	42.6	49.1	-1.6	-14.6	469.89	480.25	11.35	10.89	41.4	44.1
Electrical Machinery	27.1	27.0	28.7	0.2	-5.7	347.73	310.84	8.44	7.81	41.2	39.8
Transportation Equipment	7.6	7.5	7.6	1.6	0.8	547.75	501.34	12.65	11.42	43.3	43.9
Scientific Instruments	28.2	28.2	27.6	-0.2	2.1	417.36	396.73	9.89	9.70	42.2	40.8
Miscellaneous Manufacturing	5.8	5.8	5.5	0.7	5.8	397.94	350.43	9.52	9.31	41.8	37.6
Nondurable Goods	147.2	146.9	145.8	0.2	0.9	391.78	385.45	10.02	9.96	39.1	38.7
Food and Kindred	41.8	41.6	41.5	0.6	0.9	353.34	339.79	9.06	8.78	39.0	38.7
Textiles and Apparel	4.4	4.4	4.7	-0.5	-5.9	256.20	226.10	6.76	6.46	37.9	35.0
Paper and Allied	32.1	32.1	33.1	-0.1	-2.9	501.48	499.38	11.94	11.75	42.0	42.5
Printing and Publishing	44.6	44.5	42.8	0.3	4.3	376.66	379.05	10.18	10.50	37.0	36.1
Chemicals and Petroleum	10.2	10.2	10.1	-0.1	1.2	462.76	437.49	11.37	11.02	40.7	39.7
Rubber, Plastic and Leather	14.0	14.0	13.7	-0.2	2.2	332.90	322.43	8.58	8.31	38.8	38.8
Nonmanufacturing	**1,511.0**	**1,485.5**	**1,475.8**	**1.7**	**2.4**						
Mining	7.9	6.7	9.5	18.4	-17.4	523.40	523.64	13.21	13.19	40.0	39.7
Metal Mining	6.2	5.3	7.9	16.8	-21.8	560.51	546.29	14.19	13.83	39.5	39.5
Construction	65.2	57.3	62.9	13.8	3.7	572.59	599.46	14.95	15.53	38.3	38.6
Transport., Comm., & Pub. Util.	98.0	97.6	98.2	0.5	-0.2						
Transportation	65.1	64.7	63.9	0.6	1.9						
Trucking and Warehousing	25.8	26.2	26.1	-1.4	-1.0	386.11	388.49	12.18	11.46	31.7	33.9
Communication and Public Util.	32.9	32.8	34.4	0.4	-4.2	563.34	529.32	14.19	13.20	39.7	40.1
Trade	465.7	457.6	459.0	1.8	1.5	232.37	224.07	7.72	7.57	30.1	29.6
Wholesale	116.1	114.8	115.7	1.2	0.4	402.62	376.35	10.35	9.93	38.9	37.9
Retail	349.6	342.8	343.3	2.0	1.8	183.54	179.79	6.65	6.61	27.6	27.2
Building Materials	16.9	15.9	16.8	6.3	0.3	299.77	312.56	8.35	8.54	35.9	36.6
General Merchandise	48.6	48.4	48.4	0.4	0.5	183.30	166.06	6.57	6.29	27.9	26.4
Food Stores	46.6	46.1	45.7	1.2	2.1	203.89	201.60	7.23	7.20	28.2	28.0
Automotive	39.6	38.8	38.3	2.2	3.5	335.24	331.15	9.21	8.95	36.4	37.0
Apparel	17.6	17.4	17.7	1.1	-0.7	126.44	120.23	5.57	5.32	22.7	22.6
Home Furnishings	14.4	14.4	13.6	0.1	6.3	231.27	235.20	7.16	7.35	32.3	31.9
Eating and Drinking	119.7	115.6	116.9	3.5	2.4	104.20	99.43	4.57	4.54	22.8	21.9
Fin., Insur., Real Est.	114.7	113.4	109.3	1.1	4.9						
Finance	53.7	53.5	51.1	0.4	5.1						
Insurance	42.3	41.9	40.0	1.0	5.8						
Real Estate	18.7	18.1	18.2	3.6	2.7						
Services	443.7	436.8	429.1	1.6	3.4						
Personal Services	22.3	21.7	22.0	2.6	1.2						
Business Services	80.1	78.7	75.4	1.7	6.1						
Repair Services	19.5	19.4	18.5	0.4	5.2						
Health Services	141.7	140.8	139.0	0.6	1.9						
Hospitals	49.5	49.3	49.6	0.4	-0.3						
Nursing Homes	40.5	40.3	39.7	0.6	2.0						
Legal Services	13.1	12.9	12.3	1.1	6.5						
Private Education	26.3	26.1	25.6	0.8	2.9						
Government	315.7	316.2	307.7	-0.1	2.6						
Federal	33.2	32.9	31.7	1.0	4.6						
State	79.2	79.0	77.0	0.2	2.8						
Education	43.8	43.6	41.8	0.3	4.7						
Local	203.3	204.3	199.0	-0.5	2.2						
Education	110.3	111.3	106.9	-0.9	3.2						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

National Economic Activity
Spending, Output, Income, and Prices

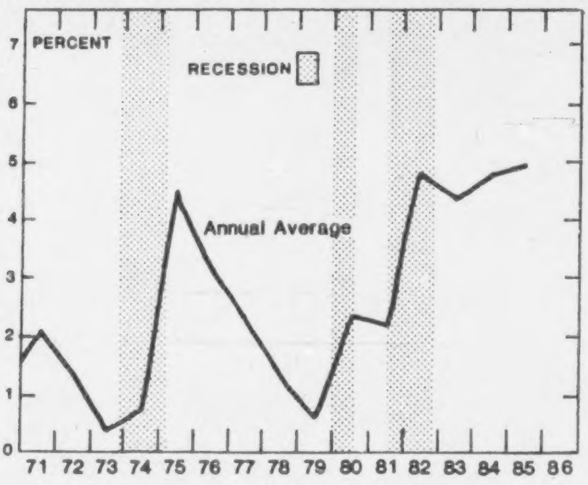
The overall level and composition of National Output shape labor market conditions, and nominal and real earnings. (Nominal values are not adjusted for inflation; real values are adjusted for inflation.) Personal Consumption Expenditures, especially on Durable Goods, together with data on Retail Sales, are frequently used as indicators of future levels of employment. The number of Building Permits influences the level of employment in construction and related industries. The Federal Budget Deficit is a key indicator of the stimulatory effect of government policy. Whether this effect results in inflation, improved employment conditions, or some combination of the two, depends in part, upon the degree to which present productive capacity is utilized. Present and anticipated Money and Credit Conditions determine the ability of consumers, business, and State and Local governments to borrow in order to finance purchases, which, in turn, generate income and employment.

Spending, Output, Income, and Prices	United States		
	FIRST QUARTER 1986	Percent Change from	
		Last Qtr.	Year Ago
Spending and Output			
Gross National Product (in Billions of 1972 Dollars)	3,623.5	0.9	2.1
Personal Consumption Expenditures	2,354.3	1.0	2.9
Durable Goods	346.9	0.1	3.6
Nondurable Goods	865.4	1.7	3.0
Services	1,142.0	0.8	2.5
Gross Private Domestic Investment	680.7	3.8	6.4
Nonresidential, Fixed	469.8	-3.4	2.8
Residential, Fixed	177.8	1.3	6.7
Net Exports	-130.3	#	#
Government Purchases	718.8	-3.6	4.0
Federal	319.7	-8.4	5.1
State and Local	399.1	0.7	3.1
Current Federal Budget Surplus (Deficit)1/	-210.5	-226.9	-162.6
Current Federal Budget Surplus (Deficit) as % of GNP1/	-5.1	-5.6	-4.2
Retail Sales (in millions of dollars)	117,120	1.2	5.1
Industrial Production (Base Year - 1977)	125.8	0.3	1.6
Housing Starts (Annualized in Thousands)	1,988	12.1	12.8
Plant Utilization Rates	80.0	-0.1	-0.6
New Orders - Durable Goods (in millions of dollars)	106,971	1.6	4.4
Income and Credit			
Total Personal Income (in billions of dollars)	3,397.9	1.3	4.8
Total Disposable Personal Income (in billions of dollars)	2,894.5	1.7	5.7
Per Capita Personal Income			
Current Dollars	14,121	1.1	3.9
1967 Dollars	4,372	0.9	1.0
Median Family Income - Family of Four (in dollars)	36,340	1.1	3.8
Poverty Threshold for Family of Four (in dollars)	10,990	--	3.2
Average Weekly Earnings of Production Workers in Mfg.	392.45	-0.7	3.6
Money and Credit			
Money Supply (M2) (in billions of dollars)	2,579.1	1.1	6.7
Federal Reserve Discount Rate	7.36	-1.9	-8.0
Prime Rate Charged by Banks	9.37	-1.4	-11.1
Consumer Installment Credit as % of Disp. Pers. Income	18.9	1.7	10.9
Prices			
Consumer Price Index (All Urban Consumers)	327.3	0.2	3.1
Food	307.8	1.3	2.3
Housing	356.8	0.5	3.9
Apparel	205.1	-2.5	1.4
Transportation	317.6	-1.6	0.8
Medical Care	422.1	2.3	7.2
Personal Care	289.2	1.3	4.0
Producer Price Index	304.7	-1.5	-1.4
Finished Goods	288.9	-1.9	-0.4
Raw Materials	290.4	-5.1	-8.0

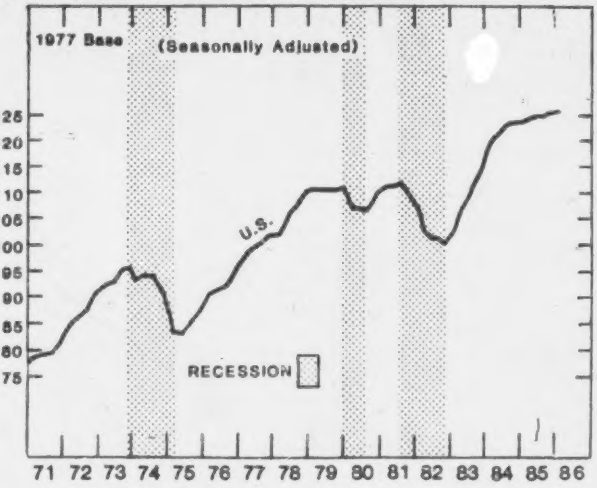
# Percent change not applicable
1/ Represents values - not percent change.

Output, Expenditures, Money, & Credit Conditions

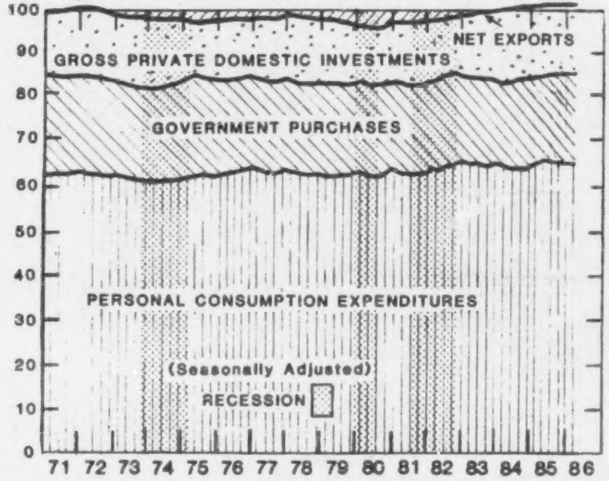
Federal Deficit as % of GNP (Current Dollars)



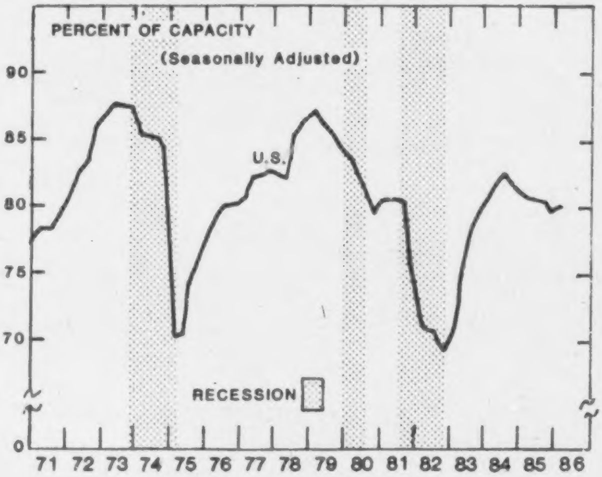
Index of Industrial Production



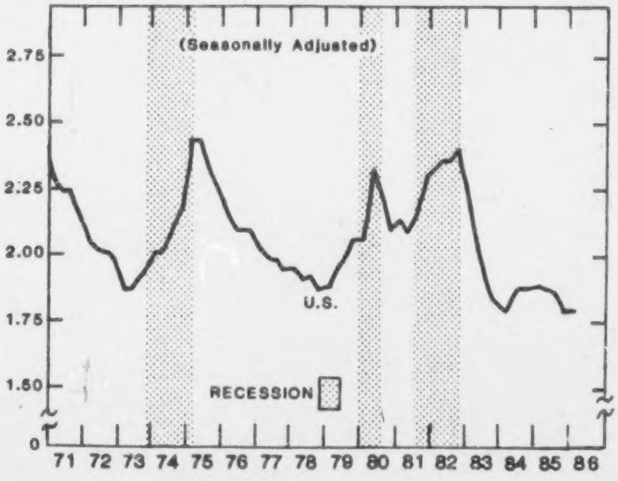
Composition of GNP in Percent



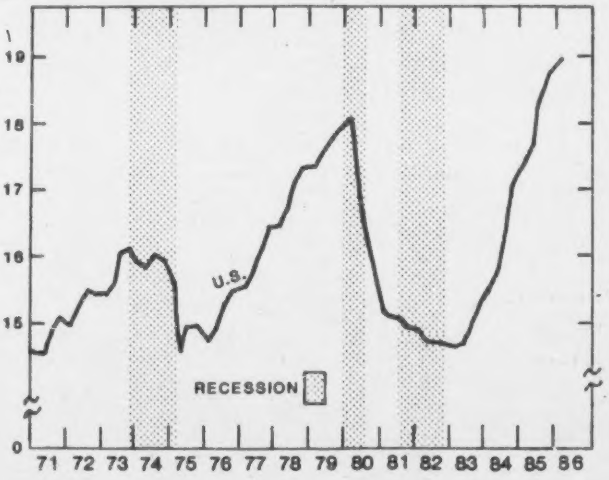
Plant Utilization Rates, Mfg.



Ratio, Inventory to Sales, Durable Mfg.

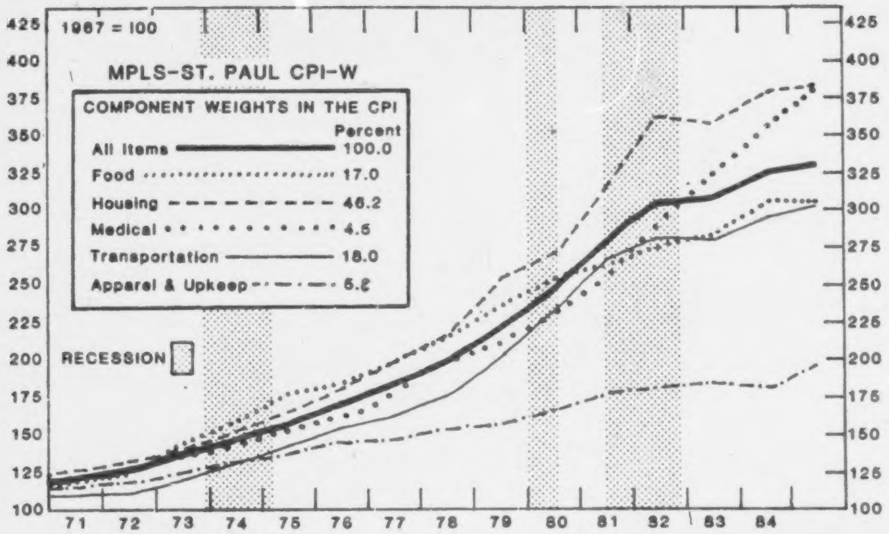


Ratio, Consumer Installment Debt to Disposable Personal Income, U.S.

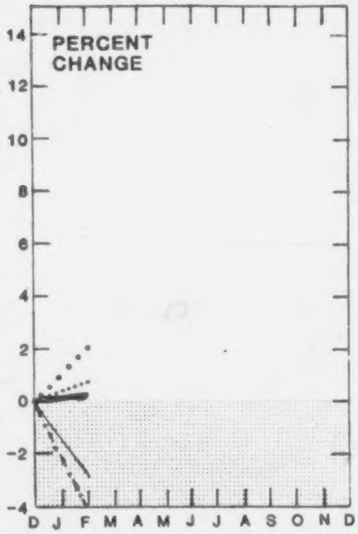


Income & Purchasing Power

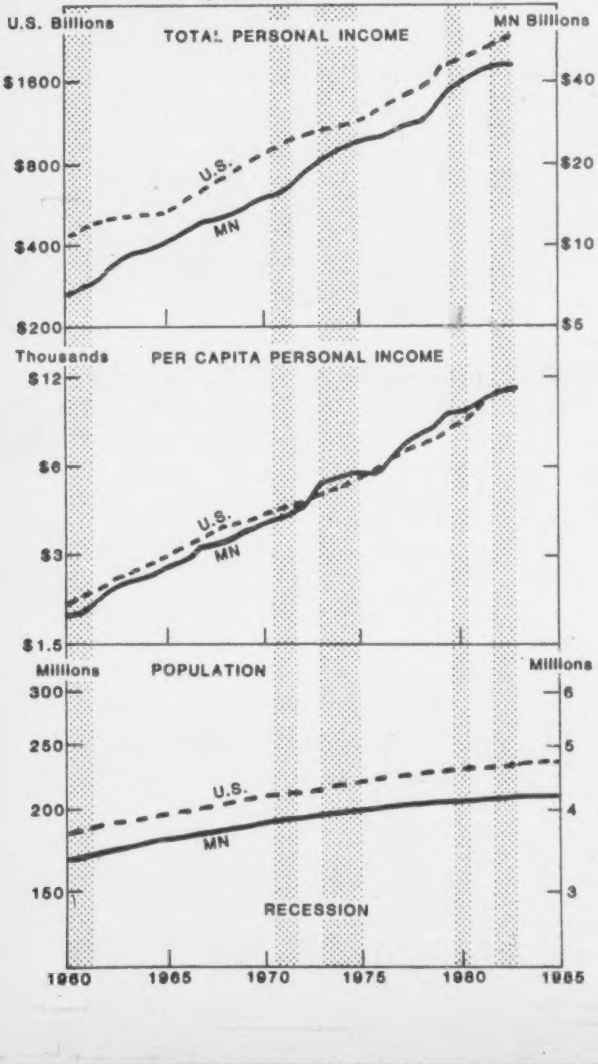
Consumer Price Index—Major Components



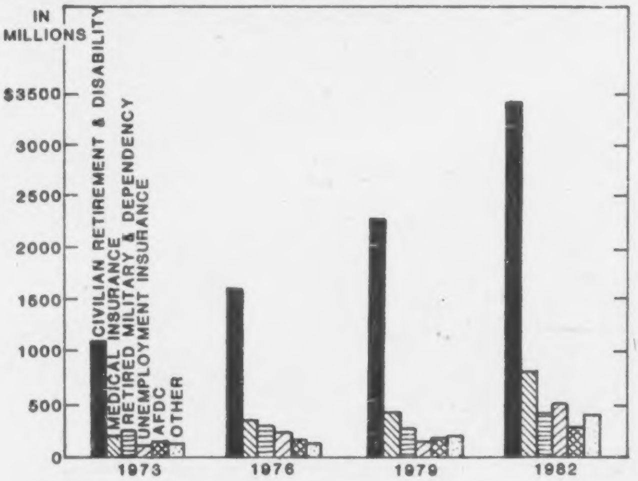
% Δ From Dec. 198



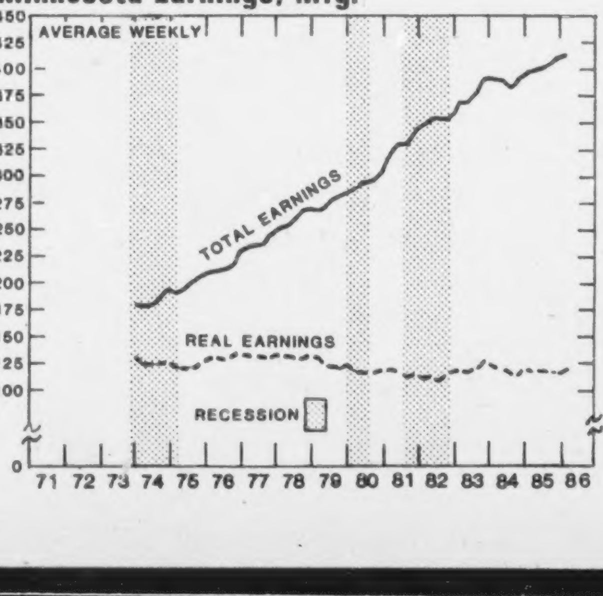
U.S. & MN Personal Income and Population



Government Transfer Payments To Individuals In Minnesota *(Selected Years)*



Minnesota Earnings, Mfg.



Minnesota Income Support and Employment Assistance Data

Presented below is data on income support and employment assistance programs provided to unemployed Minnesotans. Usually, the number of individuals receiving payments or employment and training assistance is the average of the three months in the quarter. In most programs there are eligibility requirements which must be met. In the table below, comparative data from a quarter ago and a year ago is presented. Because of seasonal swings in economic activity, quarter to quarter comparisons of program data can vary significantly. Year ago comparisons give a better indication of trends in the economy.

	Number of Persons			Amount Paid (Thousands)		
	I QTR. 1986	Last Quarter	Last Year	I QTR. 1986	Last Quarter	Last Year
Unemployment Insurance						
Total State	78,665	50,048	74,508	43,223,084	24,460,944	38,041,587
Northeast	10,649	7,227	11,165	6,624,503	3,721,076	6,320,698
Northwest	11,719	6,263	11,661	6,096,926	2,625,701	5,613,148
Central	10,368	6,010	10,199	5,606,470	2,638,438	5,211,983
Metropolitan	28,755	20,281	25,446	16,335,030	11,064,982	13,324,093
Southern	17,176	10,266	16,036	8,560,222	4,410,747	7,571,663
General Assistance						
Total State	INA	19,907	39,303	INA	4,284,516	7,699,097
Northeast		2,428	6,759		496,259	1,303,765
Northwest		1,889	4,304		333,587	737,235
Central		1,253	2,426		240,475	433,559
Metropolitan		11,919	21,489		2,750,592	4,418,894
Southern		2,418	4,325		463,604	805,643
Job Service						
Individuals served	121,231	107,785	146,781			
Individuals placed	2,582	4,458	3,409			
Vocational Rehabilitation						
Active Caseload	15,723	15,648	15,184			
Percent Severely Disabled	54.4	54.8	56.2			
Closed-Employed	337	304	311			
Job Training Partnership Act (Title IIA)						
Participants	14,080	13,327	11,852			
Entered Employment	1,820	2,615	2,079			
Trade Adjustment Assistance (TRA)						
Individuals Entitled to Basic TRA	43	84	1			
Individuals Placed or Entered Training	5	6	16			
Targeted Jobs Tax Credit						
Individuals Vouchered	204[1]	3,182	1,405			
Individuals Certified	172	2,160	809			
Food Stamp Program						
Registrations	2,915	2,628	1,559			
Individuals Entered Employment	138	145	115			
Work Incentive Program						
Registrants On-Board	26,416	25,526	24,936			
Individuals Entered Employment	309	677	326			
MEED						
Individuals On-Board	1,651	3,314	5,834			
Left Program with Unsubsidized Job	227	655	609			

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[1] Program expired 12/31/85.

THE JOB MARKET (continued from page 3)

Job Service Applicant Supply and Demand

Table 1 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and managerial jobs are least likely to use the J.S., whereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 1 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Occupation	Applicants (Supply) April, 1986	Job Openings (Demand) April, 1986	Supply/Demand Ratio	
			April, 1986	April, 1985
Total	**101,389**	**9,399**	**10.8**	**9.6**
Prof., Tech., Mgr.	11,988	1,157	10.4	8.2
Clerical	17,095	1,843	9.3	7.2
Sales	5,411	902	6.0	3.5
Dom. Services	1,583	116	13.6	12.3
Other Services	16,085	2,644	6.1	5.8
Farm., Fish., For.	2,760	216	12.8	16.3
Processing	1,852	434	4.3	6.4
Machine Trades	6,710	347	19.3	17.2
Benchwork	7,235	322	22.5	11.9
Structural Work	13,695	470	29.1	33.8
Mtr. Frght., Trans.	4,344	358	12.1	16.9
Pkg. & Mat. Hndlg.	11,713	507	23.1	35.7
Other	918	83	11.1	21.2

1/ Inexperienced and improperly coded job applicants are not included in this table.

Available Publications

Write to: Director, Research and Statistics Office (See inside cover for address)

Review of Labor and Economic Conditions and its Monthly Supplement (Recent Issues)

Minnesota Employment Outlook to 1990 (February 1985)

Labor Market Information Summary for 1985 for Minneapolis-St. Paul SMSA (May 1984), St. Cloud SMSA (June 1984), Duluth SMSA (September 1984), and Minnesota (April 1984)

Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings, January, 1950 - December, 1984 (April 1985)

Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings, January, 1978 - December, 1985 (April 1986)

Employment, Hours, and Earnings, 1950-1985, Minneapolis-St. Paul Area (April 1985)

Important Minnesota Occupations by Industry (August 1984)

1982 Occupational Employment Statistics in Minnesota (April 1984)

1984 Occupational Employment Statistics in Minnesota (October 1985)

1985 Minnesota Salary Survey by Area (July 1985)

1985 Minnesota Hospitals and Nursing Homes Salary Survey (August 1985)

1985 Minnesota Wage Data by Industry and Size of Firm (September 1985)

Minnesota Labor Market Information Directory (June 1984)

Minnesota Employment and Wage Data by County (Third Quarter 1985) Limited number available for 1975-1983

Average Covered Employment & Wages by Economic Region for the Calendar Year 1984 by Two Digits of Industry (also available for 1976-1983)

Unemployment Compensation Program Statistics: Total Wages, Taxable Wages, Contributions Due, and Benefits Paid, 1950-1978

Cyclical Sensitivity in Minnesota (August 1981)

5/16/86

CURRENT MINNESOTA LABOR MARKET CONDITIONS

April 1986 Supplement to the Review of Labor and Economic Conditions

Prepared by the Research & Statistics Office, MN Dept. of Jobs & Training, 390 N. Robert St., St. Paul, MN, 55101, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, Employment & Training Admin.

Nation

Economic developments in the Nation were somewhat mixed in March and the first quarter. Although the preliminary estimate showed that real gross national product rose at a healthy rate in the first quarter, most of the monthly data for March including the employment numbers indicated that the economy was sluggish.

Further declines in goods producing employment darkened an otherwise satisfactory employment picture in March. The seasonally adjusted unemployment rate edged down to 7.2 percent in March after jumping from 6.7 percent in January to 7.3 percent in February. Meanwhile, seasonally adjusted nonfarm payroll employment rose by only 192,000 in March as a gain of 271,000 in the services industries was partially offset by a decline of 79,000 in the goods sector. Employment in mining, especially in oil and gas extraction, and in durable goods manufacturing fell substantially in both February and March.

While real gross national product grew at a strong 3.2 percent annual rate in the first quarter, monthly data for industrial production, retail sales and housing starts showed declines in March. Also, personal income and personal consumption expenditures showed only slight improvement in March. However, it should be noted that housing starts were at a very high level (more than 1.9 million) in the first three months of the year.

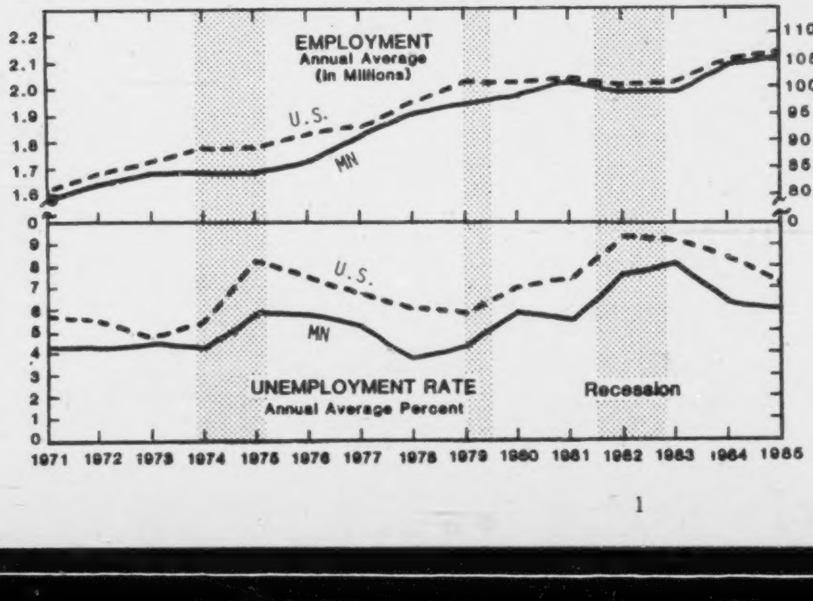
State

Except for the unemployment rate which fell for the second straight month in March, the labor market situation was somewhat weaker in March than in earlier months as the growth in both total and nonfarm payroll employment slowed further. Nevertheless, regional economists expect that the State's economy will be stronger in 1986 than in 1985.

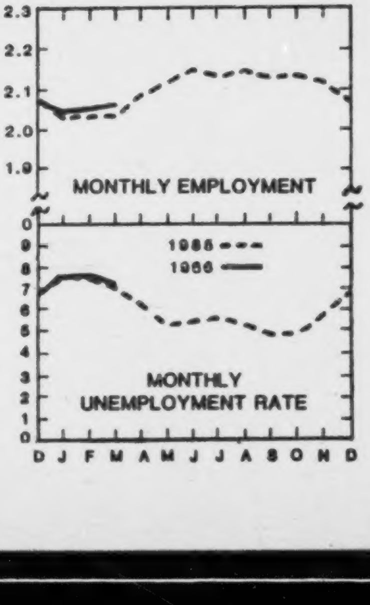
The State's seasonally adjusted unemployment rate fell 0.2 of a percentage point to 6.1 percent in March after a drop of 0.1 of a point in February. Before the peak of 6.4 percent in January, the rate had risen almost steadily since May 1985. On the other hand, seasonally adjusted total employment rose by a modest 4,300 in March after gains of 12,600 in February and 14,200 in January. Also, adjusted nonfarm payroll employment climbed rather slowly in March, rising by 2,200 after larger increases in the two previous months. A very large gain of 1,344 in special trades construction accounted for much of the over-the-month gain in payroll employment. Substantial over-the-month increases also occurred in business services, state education and heavy construction. The March gains were partially offset by further declines in durable goods manufacturing, particularly in the computer, electrical machinery and transportation equipment industries. Over-the-year, payroll employment rose by 28,000 as large gains in services, government and trade offset declines in durable goods manufacturing and metal mining.

Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	March 1986	Change From		March 1986	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2,225.0	4.8	39.3	116.3	0.6	1.9
Employed	2,064.3	12.0	32.1	107.6	1.0	1.9
Unemployed	160.7	-7.2	7.2	8.7	-0.4	0.0
Unemployment Rate						
Actual	7.2	-0.4	0.2	7.5	-0.3	0.0
Seasonally Adjusted	6.1	-0.2	0.1	7.2	-0.1	-0.1

MN and the U.S., Employment & Unemployment Rate



MN, 1985 and 1986



Labor Market Conditions

MINNESOTA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Mar. 1986	Feb. 1986	Mar. 1985	Feb. 1986	Mar. 1985	Mar. 1986	Mar. 1985	Mar. 1986	Mar. 1985	Mar. 1986	Mar. 1985
Total Nonagricultural	**1,850.5**	**1,844.5**	**1,823.0**	**0.3**	**1.5**						
Manufacturing	**364.5**	**365.1**	**373.4**	**-0.2**	**-2.4**	**420.24**	**402.19**	**10.30**	**9.98**	**40.8**	**40.3**
Durable Goods	217.5	218.1	228.0	-0.3	-4.6	438.05	415.24	10.53	10.03	41.6	41.4
Lumber and Furniture	17.0	16.7	16.3	1.6	3.7	467.81	413.71	11.41	10.83	41.0	38.2
Stone, Clay and Glass	6.1	6.0	7.0	2.5	-12.2	417.09	364.27	10.64	10.29	39.2	35.4
Primary Metals	6.3	6.2	6.4	1.0	-0.8	406.78	398.04	9.46	9.30	43.0	42.8
Fabricated Metals	36.1	36.2	35.5	-0.2	1.8	484.46	448.62	11.48	10.81	42.2	41.5
Nonelectrical Machinery	83.4	84.3	94.3	-1.0	-11.6	448.62	450.66	10.81	10.36	41.5	43.5
Office and Computing	42.7	43.3	50.2	-1.4	-14.9	474.96	500.95	11.39	10.75	41.7	46.5
Electrical Machinery	26.9	27.2	28.6	-0.9	-5.8	351.10	310.45	8.44	7.82	41.6	39.7
Transportation Equipment	7.5	7.6	7.3	-1.3	2.7	541.25	504.13	12.50	11.38	43.3	44.3
Scientific Instruments	28.4	28.2	27.3	0.4	4.0	414.50	401.85	9.94	9.73	41.7	41.2
Miscellaneous Manufacturing	5.8	5.8	5.4	0.1	8.2	406.43	346.14	9.70	9.28	41.9	37.3
Nondurable Goods	147.0	147.0	145.4	0.0	1.1	396.21	384.12	9.98	9.90	39.7	38.8
Food and Kindred	41.8	42.1	41.4	-0.8	0.9	362.39	338.04	8.97	8.69	40.4	38.9
Textiles and Apparel	4.4	4.3	4.6	2.1	-3.6	247.23	224.22	6.70	6.37	36.9	35.2
Paper and Allied	32.2	32.3	33.1	-0.4	-2.7	505.06	488.78	11.94	11.61	42.3	42.1
Printing and Publishing	44.4	44.1	42.6	0.7	4.3	383.14	381.91	10.19	10.55	37.6	36.2
Chemicals and Petroleum	10.3	10.2	10.0	0.5	2.5	466.17	429.84	11.37	10.80	41.0	39.8
Rubber, Plastic and Leather	14.0	13.9	13.8	0.3	1.5	333.84	324.04	8.56	8.33	39.0	38.9
Nonmanufacturing	**1,486.0**	**1,479.4**	**1,449.6**	**0.5**	**2.5**						
Mining	6.6	6.4	8.1	3.6	-17.6	530.55	533.32	13.50	13.64	39.3	39.1
Metal Mining	5.3	5.2	6.7	1.8	-21.4	556.66	554.33	14.31	14.25	38.9	38.9
Construction	57.4	55.7	54.8	3.1	4.9	541.55	588.12	14.96	15.60	36.2	37.7
Transport., Comm., & Pub. Util.	98.0	97.6	96.8	0.4	1.2						
Transportation	64.6	64.2	62.8	0.5	2.8						
Trucking and Warehousing	26.0	26.2	25.6	-0.5	1.8	386.40	415.19	12.00	11.63	32.2	35.7
Communication and Public Util.	33.4	33.4	34.0	0.1	-1.8	552.62	534.49	13.92	13.23	39.7	40.4
Trade	458.1	454.9	450.6	0.7	1.7	233.92	224.66	7.72	7.59	30.3	29.6
Wholesale	114.9	114.3	114.6	0.5	0.3	405.58	375.59	10.32	9.91	39.3	37.9
Retail	343.2	340.6	336.0	0.8	2.1	184.21	180.34	6.65	6.63	27.7	27.2
Building Materials	15.9	15.6	15.8	1.5	0.6	326.97	318.69	8.65	8.58	37.8	37.0
General Merchandise	48.6	49.0	48.7	-0.7	-0.2	179.20	169.10	6.54	6.24	27.4	27.1
Food Stores	46.3	46.0	45.1	0.6	2.6	201.44	205.46	7.22	7.26	27.9	28.3
Automotive	38.8	38.3	37.6	1.3	3.0	345.22	326.63	8.99	8.90	38.4	36.7
Apparel	17.4	17.3	17.3	0.4	0.8	121.09	125.26	5.43	5.32	22.3	23.5
Home Furnishings	14.5	14.3	13.5	1.0	7.0	233.21	241.55	7.38	7.62	31.6	31.6
Eating and Drinking	115.5	113.6	112.4	1.6	2.7	104.88	98.28	4.56	4.55	23.0	21.6
Fin., Insur., Real Est.	113.2	112.7	108.0	0.4	4.8						
Finance	53.3	53.1	51.4	0.5	3.8						
Insurance	41.8	41.6	39.4	0.5	6.1						
Real Estate	18.1	18.0	17.2	0.2	4.8						
Services	436.8	435.0	425.4	0.4	2.7						
Personal Services	21.7	21.6	21.2	0.2	2.3						
Business Services	78.8	78.2	77.0	0.8	2.4						
Repair Services	19.4	19.2	18.4	1.3	5.6						
Health Services	140.7	140.2	138.8	0.3	1.4						
Hospitals	49.2	49.2	49.8	-0.1	-1.2						
Nursing Homes	40.2	40.1	39.9	0.3	0.8						
Legal Services	12.9	12.9	12.0	0.1	7.7						
Private Education	26.2	26.1	25.2	0.4	4.0						
Government	315.9	317.1	305.9	-0.4	3.3						
Federal	32.9	32.8	31.2	0.2	5.3						
State	78.8	79.8	76.3	-1.2	3.3						
Education	43.5	44.6	41.3	-2.4	5.2						
Local	204.2	204.4	198.4	-0.1	2.9						
Education	111.4	110.8	106.9	0.6	4.2						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Labor Market Conditions

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

Total claimants for unemployment benefits fell at a slower rate than they usually do in March, dropping by 2,588 or 3.8 percent. The average February to March percentage decline over the past eight years was 4.9 percent. The largest over-the-month drop was in construction where claimants decreased by 1,357 or 6.1 percent. Construction claimants on average fall by 5.1 percent between February and March. Over-the-year, the total number of claimants rose by 5,204 or 8.7 percent. The biggest over-the-year gains were in mining (1,223), retail trade (1,069) and services (1,061).

TABLE 2. Distribution of Insured Unemployed by Industry and Occupation, March 1986

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term1/ Unemployed	Women as Percent of Total
Total, All Industries	**65,251**	**100.0**	**26.9**	**22.2**
Ag., For., Fish.	1,887	2.9	41.5	10.4
Mining	2,881	4.4	53.7	3.2
Construction	20,987	32.2	24.4	2.5
Manufacturing	16,716	25.6	26.5	32.9
Public Utilities	3,102	4.7	23.5	14.6
Wholesale Trade	3,539	5.4	25.7	21.3
Retail Trade	6,200	9.5	22.5	38.6
Finance, Insurance, Real Estate	1,185	1.8	30.4	55.1
Services	6,955	10.7	26.1	49.4
Public Admin.	1,089	1.7	33.8	27.3
Info. Not Available	710	1.1	3.4	28.9
Total, All Occupations	**65,251**	**100.0**	**26.9**	**22.2**
Prof., Tech., Mgr.	6,552	10.0	28.3	35.9
Clerical	4,901	7.5	25.5	77.7
Sales	2,124	3.2	25.7	33.5
Services	3,204	4.9	26.4	52.2
Farm., For., Fish.	1,576	2.4	42.1	9.9
Processing	2,411	3.7	21.7	34.5
Machine Trades	3,891	6.0	28.7	12.7
Benchwork	5,477	8.4	26.3	55.5
Structural Work	22,892	35.1	23.5	1.7
Miscellaneous	11,990	18.4	32.0	8.3
Info. Not Available	233	0.4	35.6	18.6

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Table 1. Distribution of Insured Unemployed, by Age and Sex, March 1986

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	**65,251**	**77.8**	**100.0**	**100.0**
Under 45	**49,513**	**78.4**	**76.4**	**74.0**
Under 25	10,698	77.4	16.3	16.7
25-34	24,495	79.6	38.4	34.5
35-44	14,320	77.0	21.7	22.8
45 and Over	**15,738**	**76.1**	**23.6**	**26.0**
45-54	8,983	76.1	13.5	14.8
55 and Over	6,755	76.0	10.1	11.2

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., wehereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand

Occupation	Applicants (Supply)	Job Openings (Demand)	Supply/Demand Ratio	
	March 1986	March 1985	March 1986	March 1985
Total	**19,355**	**9,513**	**10.4**	**10.8**
Prof., Tech., Mgr.	11,770	1,232	9.6	8.9
Clerical	16,447	1,945	8.5	8.1
Sales	5,258	972	5.4	4.3
Domestic Services	1,426	130	11.0	13.5
Other Services	15,799	2,881	5.5	6.1
Farm., Fish., For.	2,313	174	13.3	26.2
Processing	1,784	275	6.5	8.6
Machine Trades	6,807	372	18.3	18.0
Benchwork	7,271	331	22.0	13.3
Structural Work	13,709	317	43.2	49.2
Mtr. Frght., Trans.	4,456	352	12.7	17.0
Pkg. & Mat. Hndlg.	11,393	465	24.5	35.9
Other	922	67	13.8	22.3

1/ Inexperienced and improperly coded job applicants are not included in this table.

Analysis of Local Conditions

MINNEAPOLIS-ST. PAUL MSA

By Bruce Steuernagel

Preliminary estimates of nonagricultural wage and salary employment in March show only anemic growth from February levels. Job losses continued in the durable goods manufacturing sector, particularly in the electronics and computer-related groups. However, the number of jobs in the retail trade and service industries also fell, on a seasonally adjusted basis, between February and March. This trend is uncharacteristic of these industry divisions and indicates the severity of the manufacturing losses as well as cautiousness of consumers at the present time.

The strongest job gains over the month were again posted by the construction and financial services industries which are benefitting from declining interest rates.

A comparison of payroll job growth over the past year in the U.S. and Twin Cities shows that the local area growth is only about half that of the national average, 1.6 percent compared to 3.5 percent. The number of manufacturing jobs locally is 3.5 percent less than a year ago, while manufacturing jobs have declined -0.7 percent nationally. Another interesting contrast in growth trends is in the service sector. Nationally, the number of service industry jobs has increased by 5.1 percent compared to only 2.1 percent locally. The two largest service industry groups are business services and health services. Nationally, business service jobs are up by 7.1 percent from a year ago compared to a 0.3 percent decrease locally. Health service industry jobs have increased by 4.1 percent nationally and only 1.0 percent locally. Much of the slowdown in business services job growth can be attributed to the weak conditions in the manufacturing sector. This is apparent in the startling slowdown in the number of jobs in temporary personnel agencies. These are firms which supply temporary labor to many different industries but increasingly to the manufacturing sector. During the early stages of the recovery from the 1982-83 recession, temporary employment service jobs in the U.S. increased by 41.3 percent (January 1983 to January 1984). Between January 1984 and 1985 these jobs continued to increase but at a slower rate, 17.8 percent. Between January 1985 and January 1986, temporary personnel service jobs have increased only 5.1 percent.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Mar. 1986	Feb. 1986	Mar. 1985	Mar. 1986	Feb. 1986	Mar. 1985	Mar. 1986	Feb. 1986	Mar. 1985
Minneapolis-St. Paul MSA*	**1,328,605**	**1,324,257**	**1,283,902**	**70,491**	**72,506**	**63,931**	**5.3**	**5.5**	**5.0**
REGION 11	**1,232,250**	**1,227,753**	**1,189,538**	**63,033**	**64,422**	**56,302**	**5.1**	**5.2**	**4.7**
Anoka	126,484	126,291	122,047	7,431	7,837	6,657	5.9	6.2	5.5
Carver	23,402	23,400	22,629	1,232	1,342	1,141	5.3	5.7	5.0
Dakota	127,450	127,080	123,223	6,910	7,147	6,392	5.4	5.6	5.2
Hennepin	575,146	572,563	554,348	27,819	27,991	23,865	4.8	4.9	4.3
Ramsey	278,118	276,987	268,822	14,072	14,270	12,902	5.1	5.2	4.8
Scott	28,663	28,739	27,768	2,062	2,272	1,985	7.2	7.9	7.1
Washington	72,987	72,693	70,701	3,507	3,563	3,360	4.8	4.9	4.8
Chisago*	17,141	17,020	16,474	1,577	1,534	1,389	9.2	9.0	8.4
Isanti*	15,198	15,205	14,827	1,187	1,265	1,248	7.8	8.3	8.4
Wright*	38,097	38,325	36,971	3,120	3,524	3,070	8.2	9.2	8.3
St. Croix, WI	25,919	25,954	26,092	1,574	1,761	1,922	6.1	6.8	7.4
Bloomington	50,0[illegible]	49,730	47,877	2,571	2,488	1,857	5.1	5.0	3.9
Minneapolis	213,495	212,402	205,686	11,252	11,177	9,667	5.3	5.3	4.7
St. Paul	158,896	158,202	153,712	8,821	8,883	8,255	5.6	5.6	5.4

* Chisago, Isanti and Wright counties are a part of the Minneapolis/St. Paul-MN-WI MSA, but are included in Region 7.

Analysis of Local Conditions

MPLS-ST. PAUL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT 1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS 2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Mar. 1986	Feb. 1986	Mar. 1985	Feb. 1986	Mar. 1985	Mar. 1986	Mar. 1985	Mar. 1986	Mar. 1985	Mar. 1986	Mar. 1985
Total Nonagricultural	**1,211.2**	**1,210.5**	**1,192.0**	**0.1**	**1.6**						
Manufacturing	**250.4**	**251.6**	**259.5**	**-0.5**	**-3.5**	**444.71**	**431.90**	**11.09**	**10.56**	**40.1**	**40.9**
Durable Goods	158.7	159.9	166.1	-0.7	-4.4	453.50	444.98	11.17	10.47	40.6	42.5
Lumber and Furniture	7.6	7.5	7.1	2.1	8.2	516.67	451.82	12.10	11.89	42.7	38.0
Stone, Clay and Glass	2.4	2.3	2.7	4.3	-10.4	455.52	374.60	11.65	10.07	39.1	37.2
Primary Metals	5.0	5.0	4.9	0.9	1.7	406.79	391.56	9.33	9.17	43.6	42.7
Fabricated Metals	29.6	29.6	28.4	-0.1	4.2	518.40	479.64	12.00	11.42	43.2	42.0
Nonelectrical Machinery	64.6	65.4	73.5	-1.2	-12.1	477.02	470.20	11.55	10.59	41.3	44.4
Office and Computing	33.5	34.0	39.2	-1.5	-14.6	514.95	505.98	12.29	10.72	41.9	47.2
Electrical Machinery	15.6	16.2	17.7	-3.9	-12.0	366.39	323.57	8.85	8.13	41.4	39.8
Transportation Equipment	4.6	4.6	4.1	-0.2	12.0	650.71	644.90	14.27	13.78	45.6	46.8
Scientific Instruments	25.2	25.2	24.1	0.0	4.8	433.67	412.00	10.18	10.00	42.6	41.2
Miscellaneous Manufacturing	4.0	4.0	3.6	0.2	11.7	409.15	369.14	9.32	9.87	43.9	37.4
Nondurable Goods	91.6	91.7	93.4	-0.1	-1.9	430.73	409.58	10.96	10.75	39.3	38.1
Food and Kindred	17.6	17.6	17.6	-0.2	-0.3	403.25	392.18	10.42	9.78	38.7	40.1
Textiles and Apparel	1.5	1.5	2.2	1.7	-30.0	262.19	226.04	6.74	6.44	38.9	35.1
Paper and Allied	25.1	25.2	25.8	-0.4	-2.6	476.60	440.66	11.54	11.27	41.3	39.1
Printing and Publishing	30.2	30.3	30.2	-0.3	0.1	418.38	405.77	11.01	11.43	38.0	35.5
Chemicals and Petroleum	8.5	8.5	8.4	0.1	1.6	510.30	468.47	12.60	11.89	40.5	39.4
Rubber, Plastic and Leather	8.7	8.6	9.3	0.8	-6.2	382.14	364.57	9.65	9.16	39.6	39.8
Nonmanufacturing	**960.8**	**958.8**	**932.4**	**0.2**	**3.0**						
Mining											
Metal Mining											
Construction	40.3	39.8	37.9	1.3	6.5	589.84	601.10	16.43	16.29	35.9	36.9
Transport., Comm., & Pub. Util.	68.7	68.6	66.1	0.2	3.9						
Transportation	47.4	47.3	44.3	0.3	7.0						
Trucking and Warehousing	16.3	16.4	15.6	-0.6	4.9	376.80	422.50	12.86	12.39	29.3	34.1
Communication and Public Util.	21.3	21.3	21.8	0.0	-2.4	533.97	437.33	13.45	12.25	39.7	35.7
Trade	296.8	296.4	289.3	0.1	2.6	258.10	241.83	8.38	8.17	30.8	29.6
Wholesale	78.3	78.2	78.0	0.1	0.3	430.64	398.18	10.82	10.59	39.8	37.6
Retail	218.5	218.3	211.2	0.1	3.5	204.68	192.14	7.31	7.09	28.0	27.1
Building Materials	9.0	9.0	8.7	0.3	4.2	344.85	339.11	9.50	9.19	36.3	36.9
General Merchandise	35.3	35.6	35.1	-1.0	0.4	199.76	181.23	7.16	6.59	27.9	27.5
Food Stores	26.2	26.2	25.7	0.2	2.1	294.10	245.10	8.50	8.54	34.6	28.7
Automotive	22.8	22.7	21.9	0.3	4.2	405.62	362.84	10.04	9.65	40.4	37.6
Apparel	11.4	11.5	11.4	-0.7	0.2	102.05	114.70	5.18	5.19	19.7	22.1
Home Furnishings	10.2	10.4	9.3	-1.9	9.3	183.30	253.58	6.50	8.05	28.2	31.5
Eating and Drinking	73.8	73.2	70.8	0.8	4.3	108.28	96.26	4.99	4.65	21.7	20.7
Fin., Insur., Real Est.	87.7	86.9	82.6	0.8	6.2	337.82	320.53	8.16	8.71	41.4	36.8
Finance	37.2	36.8	35.7	1.1	4.4	383.53	330.30	9.11	9.00	42.1	36.7
Insurance	34.9	34.7	33.0	0.4	5.7						
Real Estate	15.6	15.4	13.9	1.2	11.8	225.94	206.61	7.15	7.10	31.6	29.1
Services	297.5	296.8	291.4	0.2	2.1						
Personal Services	15.7	15.6	14.9	0.4	5.0						
Business Services	67.8	67.9	68.1	-0.1	-0.3						
Repair Services	14.8	14.7	13.8	0.4	7.4						
Health Services	79.1	79.1	78.3	0.0	1.0						
Hospitals	29.3	29.3	29.4	0.0	-0.1						
Nursing Homes	21.4	21.5	21.8	-0.3	-2.1						
Legal Services	9.6	9.7	9.2	-0.4	4.8						
Private Education	17.0	16.8	16.6	1.2	2.2						
Government	169.9	170.2	165.2	-0.2	2.8						
Federal	19.4	19.4	18.4	0.0	5.6						
State	51.9	51.8	51.1	0.1	1.5						
Education	29.0	29.1	27.5	-0.3	5.6						
Local	98.6	99.0	95.8	-0.4	3.0						
Education	54.1	53.9	52.5	0.4	3.1						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Analysis of Local Conditions

CENTRAL AND NORTHWEST MINNESOTA

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Mar. 1986	Feb. 1986	Mar. 1985	Mar. 1986	Feb. 1986	Mar. 1985	Mar. 1986	Feb. 1986	Mar. 1985
St. Cloud MSA 1/	**85,575**	**85,711**	**85,344**	**7,066**	**7,434**	**7,936**	**8.3**	**8.7**	**9.3**
REGION 1	**40,212**	**40,003**	**40,642**	**5,573**	**5,326**	**5,509**	**13.9**	**13.3**	**13.6**
Kittson	2,711	2,619	2,832	454	378	401	16.7	14.4	14.2
Marshall	5,199	5,143	5,294	1,150	1,183	1,093	22.1	23.0	20.6
Norman	3,558	3,519	3,709	463	439	448	13.0	12.5	12.1
Pennington	6,157	6,124	5,941	745	755	652	12.1	12.3	11.0
Polk	14,044	14,243	14,577	1,760	1,590	1,835	12.5	11.2	12.6
Red Lake	2,067	1,998	1,976	509	482	333	24.6	24.1	16.9
Rosseau	6,476	6,357	6,313	492	499	747	7.6	7.8	11.8
REGION 2	**29,578**	**29,442**	**30,184**	**4,183**	**4,270**	**3,999**	**14.1**	**14.5**	**13.2**
Beltrami	16,324	16,263	16,123	1,839	1,845	1,662	11.3	11.3	10.3
Clearwater	3,641	3,698	3,751	962	1,048	965	26.4	28.3	25.7
Hubbard	5,677	5,534	6,058	921	867	840	16.2	15.7	13.9
Lake of Woods	1,901	1,932	1,898	164	194	200	8.6	10.0	10.5
Mahnomen	2,035	2,015	2,354	297	316	332	14.6	15.7	14.1
REGION 4	**94,973**	**94,458**	**94,944**	**9,221**	**9,662**	**9,707**	**9.7**	**10.2**	**10.2**
Becker	11,936	11,538	11,990	1,836	1,903	2,065	15.4	16.5	17.2
Clay	27,282	27,248	26,241	1,909	1,998	1,784	7.0	7.3	6.8
Douglas	13,652	13,634	13,585	1,174	1,253	1,233	8.6	9.2	9.1
Grant	3,214	3,225	3,124	324	346	337	10.1	10.7	10.8
Otter Tail	23,228	23,185	23,928	2,579	2,660	2,843	11.1	11.5	11.9
Pope	4,665	4,669	4,634	506	563	479	10.8	12.1	10.3
Stevens	5,269	5,246	5,429	408	425	414	7.7	8.1	7.6
Traverse	2,247	2,242	2,389	195	220	215	8.7	9.8	9.0
Wilkin	3,480	3,471	3,624	290	294	337	8.3	8.5	9.3
REGION 5	**54,370**	**54,298**	**56,623**	**6,775**	**7,195**	**7,186**	**12.5**	**13.3**	**12.7**
Cass	8,620	8,665	9,194	1,405	1,509	1,356	16.3	17.4	14.7
Crow Wing	18,814	18,722	19,607	2,008	2,175	2,246	10.7	11.6	11.5
Morrison	12,813	12,798	13,274	1,704	1,730	1,893	13.3	14.0	14.3
Todd	9,538	9,577	9,882	1,052	1,132	1,100	11.0	11.8	11.1
Wadena	4,585	4,536	4,666	606	589	591	13.2	13.0	12.7
REGION 6E	**50,815**	**50,773**	**50,160**	**5,366**	**5,685**	**4,860**	**10.6**	**11.2**	**9.7**
Kandiyohi	17,054	16,894	17,207	1,501	1,539	1,496	8.8	9.1	8.7
McLeod	15,225	15,296	15,024	1,296	1,425	1,149	8.5	9.3	7.6
Meeker	9,298	9,227	8,374	1,482	1,678	1,029	15.9	18.2	12.3
Renville	9,238	9,366	9,555	1,087	1,043	1,213	11.8	11.1	12.7
REGION 7E	**55,372**	**55,331**	**54,903**	**5,919**	**6,198**	**5,792**	**10.7**	**11.2**	**10.5**
Chisago	17,141	17,020	16,474	1,577	1,534	1,389	9.2	9.0	8.4
Isanti	15,198	15,205	14,827	1,187	1,265	1,248	7.8	8.3	8.4
Kanabec	5,776	5,791	5,754	763	822	812	13.2	14.2	14.1
Mille Lacs	8,416	8,408	8,791	970	1,035	1,016	11.5	12.3	11.6
Pine	8,841	8,907	9,057	1,422	1,542	1,327	16.1	17.3	14.7
REGION 7W	**123,672**	**124,036**	**122,315**	**10,186**	**10,958**	**11,006**	**8.2**	**8.8**	**9.0**
Benton	13,260	13,272	13,172	1,152	1,200	1,234	8.7	9.0	9.4
Sherburne	16,562	16,646	16,291	1,582	1,710	1,521	9.6	10.3	9.3
Stearns	55,753	55,793	55,881	4,332	4,524	5,181	7.8	8.1	9.3
Wright	38,097	38,325	36,971	3,120	3,524	3,070	8.2	9.2	8.3

LABOR FORCE ESTIMATES

1/ Benton, Stearns, and Sherburne Counties

ST. CLOUD MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	Mar. 1986	Feb. 1986	Mar. 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	**63,960**	**63,771**	**60,775**	**0.3**	**5.2**
Total Manufacturing	**10,996**	**10,985**	**10,433**	**0.1**	**5.4**
Durable Goods	6,059	6,022	6,005	0.6	0.9
Nondurable Goods	4,988	4,963	4,428	0.5	12.7
Total Nonmanufacturing	**52,964**	**52,786**	**50,342**	**0.3**	**5.2**
Construction	2,093	2,011	2,216	4.1	-5.9
Transp., Comm. & Pub. Util.	3,651	3,671	3,629	-0.6	0.6
Wholesale Trade	3,130	3,114	2,962	0.5	5.7
Retail Trade	15,831	15,877	14,458	-0.3	9.5
Finance, Insur. & Real Estate	2,224	2,211	2,103	0.6	5.8
Service & Miscellaneous	13,355	13,242	12,956	0.9	3.1
Government	12,680	12,660	12,016	0.2	5.5

ST. CLOUD AREA

By Ron Daws

While total employment increased 1.4 percent (or 1,101 jobs) in the St. Cloud MSA from March 1985 to March 1986, the number of jobless dropped by 870 to bring the unemployment rate down from 9.3 percent to 8.3 percent. March 1986's unemployment rate was also improved from February's 8.7 percent. Meanwhile, the State unemployment rate increased from 7.0 to 7.2 percent, and the Twin City's rate increased from 5.0 to 5.3 percent.

Compared with February 1986, there were virtually no net changes in the number of jobs in the area. With the exception of construction which added 4.1 percent more jobs as the weather improved, the number of jobs among other industries remained within one percent of February's levels.

The industries providing more jobs this March than last were Nondurable Goods - up by 12.7 percent, Wholesale Trade - up by 5.7 percent, Retail Trade - up 9.5 percent, Services & Miscellaneous - up 3.1 percent and Government - up 5.5 percent. Taken together these industries added 3,162 jobs over the year. To a small extent they were offset by the loss of 123 construction jobs.

Analysis of Local Conditions

NORTHEAST MINNESOTA

By Michael Casey

The regional employment situation improved somewhat over the month. Employment levels registered nearly 900 additional jobs in March, while the estimated number of people still looking for work fell by 1,500 below the comparable February level. These labor market developments caused the rate of unemployment to drop by more than one full percentage point, to a rate of 13.3 percent of northeastern Minnesota's labor force participants. By comparison, the rate of joblessness throughout the State stood at 7.2 percent.

Much of the improvement in new employment opportunities could be attributed to the seasonal job growth which usually occurs at winter's end. Warming weather conditions this past March allowed many construction workers to return to work. With nearly 800 fewer claims overall for unemployment compensation benefits, active claims among construction workers fell by 230 claims. Another 160 fewer claims were accounted for by the durable goods sector of the manufacturing industry. These two industries accounted for almost one-half of the decline in active unemployment claims.

Recalls in the mining industry recorded the most significant industrial improvement from February to March. Some 370 fewer claims were recorded in March as several mines began to increase production levels following varying periods of shutdown.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Mar. 1986	Feb. 1986	Mar. 1985	Mar. 1986	Feb. 1986	Mar. 1985	Mar. 1986	Feb. 1986	Mar. 1985
REGION 3	**133,901**	**134,469**	**136,175**	**17,798**	**19,312**	**17,227**	**13.3**	**14.4**	**12.7**
Aitkin	5,181	5,212	5,490	919	950	1,115	17.7	18.2	20.3
Carlton	11,020	10,874	11,344	1,543	1,727	1,450	14.0	15.9	12.8
Cook	2,195	2,234	2,442	244	258	288	11.1	11.5	11.8
Itasca	17,005	16,717	17,695	2,553	2,580	2,447	15.0	15.4	13.8
Koochiching	7,707	7,961	8,736	848	896	1,387	11.0	11.3	15.9
Lake	4,222	4,195	4,137	735	767	[illegible]	17.4	18.3	14.6
St. Louis	86,571	87,276	86,331	10,956	12,134	9,936	12.7	13.9	11.5
City of Duluth	**33,714**	**33,691**	**34,441**	**2,855**	**3,025**	**3,264**	**8.5**	**9.0**	**9.5**
Balance St. Louis	**52,857**	**53,585**	**51,890**	**8,101**	**9,109**	**6,672**	**15.3**	**17.0**	**12.9**

DULUTH AND DULUTH-SUPERIOR MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	Mar. 1986	Feb. 1986	Mar. 1985	Mo. Ago	Yr. Ago	Mar. 1986	Feb. 1986	Mar. 1985	Mo. Ago	Yr. Ago
Total Nonagricultural Wage & Salary	**40,740**	**40,500**	**39,600**	**0.6**	**2.9**	**81,290**	**80,940**	**80,980**	**0.4**	**0.4**
Total Manufacturing	**3,520**	**3,480**	**3,470**	**1.2**	**1.6**	**6,730**	**6,640**	**6,700**	**1.4**	**0.4**
Durable Goods	1,620	1,600	1,720	1.4	-6.0	3,680	3,620	3,970	1.7	-7.2
Nondurable Goods	1,900	1,880	1,740	1.1	9.1	3,050	3,020	2,740	1.0	11.4
Total Nonmanufacturing	**37,220**	**37,020**	**36,130**	**0.6**	**2.9**	**74,560**	**74,300**	**74,280**	**0.4**	**0.4**
Construction	800	740	880	8.6	-9.3	1,980	1,800	1,960	10.1	0.8
Transp., Comm., & Pub. Util.	2,810	2,730	2,760	2.7	1.7	5,490	5,430	5,700	1.2	-3.6
Wholesale Trade	1,670	1,660	1,730	0.4	-3.5	3,520	3,520	3,530	0.0	-0.1
Retail Trade	8,690	8,780	8,820	-1.0	-1.5	17,680	17,710	17,470	-0.2	1.2
Finan., Insur., & Real Est.	1,740	1,740	1,730	-0.2	0.4	3,030	3,030	2,970	0.0	2.0
Services, Mining, & Misc.	11,610	11,540	11,050	0.6	5.0	23,650	23,510	24,090	0.6	-1.9
Government	9,910	9,830	9,160	0.8	8.2	19,220	19,300	18,570	-0.4	3.5

Analysis of Local Conditions

SOUTHERN MINNESOTA

By Michael Casey

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	Mar. 1986	Feb. 1986	Mar. 1985	Mar. 1986	Feb. 1986	Mar. 1985	Mar. 1986	Feb. 1986	Mar. 1985
REGION 6W	**25,252**	**25,252**	**26,609**	**2,725**	**2,889**	**2,644**	**10.8**	**11.4**	**9.9**
Big Stone	3,241	3,233	3,416	292	308	279	9.0	9.5	8.2
Chippewa	6,631	6,644	6,725	881	912	706	13.3	13.7	10.5
Lac Qui Parle	4,347	4,332	4,606	377	412	446	8.7	.5	9.7
Swift	5,208	5,236	5,773	628	674	656	12.1	12.9	11.4
Yellow Medicine	5,825	5,807	6,089	547	583	557	9.4	10.0	9.1
REGION 8	**61,369**	**61,238**	**62,723**	**5,145**	**5,439**	**4,966**	**8.4**	**8.9**	**7.9**
Cottonwood	5,899	5,893	6,147	506	512	523	8.6	8.7	8.5
Jackson	6,288	6,243	6,153	729	760	455	11.6	12.2	7.4
Lincoln	3,244	3,252	3,443	306	332	310	9.4	10.2	9.0
Lyon	12,807	12,718	13,075	1,001	1,093	1,016	7.8	8.6	7.8
Murray	4,586	4,640	4,923	519	560	575	11.3	12.1	11.7
Nobles	10,415	10,505	10,734	778	872	833	7.5	8.3	7.8
Pipestone	5,413	5,346	5,541	299	316	296	5.5	5.9	5.3
Redwood	8,211	8,166	8,199	693	703	709	8.4	8.6	8.6
Rock	4,506	4,475	4,508	314	291	249	7.0	6.5	5.5
REGION 9	**108,794**	**108,721**	**108,960**	**8,705**	**9,215**	**8,610**	**8.0**	**8.5**	**7.9**
Blue Earth	27,224	27,279	27,393	1,623	1,800	1,653	6.0	6.6	6.0
Brown	13,410	13,438	13,386	1,090	1,227	1,199	8.1	9.1	9.0
Faribault	8,942	8,852	8,667	1,039	1,090	802	11.6	12.3	9.3
Le Sueur	10,628	10,709	10,273	1,181	1,298	1,226	11.1	12.1	11.9
Martin	12,212	12,179	12,382	1,048	1,126	910	8.6	9.2	7.3
Nicollet	14,378	14,367	14,590	767	822	905	5.3	5.7	6.2
Sibley	7,025	7,012	7,361	798	741	822	11.4	10.6	11.2
Waseca	9,480	9,365	9,084	804	714	649	8.5	7.6	7.1
Watonwan	5,495	5,520	5,824	355	397	444	6.5	7.2	7.6
REGION 10	**214,437**	**214,436**	**211,913**	**16,079**	**17,310**	**15,615**	**7.5**	**8.1**	**7.4**
Dodge	7,361	7,339	7,475	833	892	794	11.3	12.2	10.6
Fillmore	10,285	10,157	10,515	1,098	1,142	1,189	10.7	11.2	11.3
Freeborn	16,546	16,674	16,935	1,255	1,422	1,499	7.6	8.5	8.9
Goodhue	19,875	19,965	19,907	1,379	1,513	1,492	6.9	7.6	7.5
Houston	8,804	8,808	9,289	746	780	748	8.5	8.9	8.1
Mower	19,734	19,776	19,340	1,571	1,653	1,287	8.0	8.4	6.7
Olmsted	57,857	58,021	56,932	2,951	3,172	2,871	5.1	5.5	5.0
Rice	25,873	25,888	24,762	2,085	2,341	1,908	8.1	9.0	7.7
Steele	14,762	14,627	14,281	1,212	1,250	1,011	8.2	8.5	7.1
Wabasha	8,432	8,429	8,683	896	987	928	10.6	11.7	10.7
Winona	24,908	24,752	23,794	2,053	2,158	1,888	8.2	8.7	7.9
ROCHESTER CITY	**35,133**	**35,272**	**34,530**	**1,960**	**2,133**	**1,867**	**5.6**	**6.0**	**5.4**

ROCHESTER MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	Mar. 1986	Feb. 1986	Feb. 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	**54,460**	**54,140**	**54,080**	**0.6**	**0.7**
Total Manufacturing	**11,090**	**10,660**	**10,900**	**4.0**	**1.0**
Durable Goods	9,240	8,820	9,310	4.7	-0.8
Nondurable Goods	1,850	1,840	1,660	0.5	11.1
Total Nonmanufacturing	**43,370**	**43,400**	**43,110**	**-0.3**	**0.6**
Construction & Mining	1,450	1,410	1,550	3.0	-6.6
Transp., Comm., & Public Util.	1,850	1,820	1,830	1.5	0.7
Wholesale Trade	1,140	1,160	1,200	-1.7	-5.6
Retail Trade	9,430	9,590	9,820	-1.7	-4.0
Finan., Insur., & Real Estate	1,540	1,550	1,470	-0.5	4.8
Total Services	22,150	22,150	21,560	0.0	2.8
Health Services	15,430	15,370	15,030	0.4	2.7
Other Services	6,730	6,780	6,530	-0.7	3.0
Government	5,820	5,810	5,670	0.0	2.6

The employment situation throughout the counties of southern Minnesota improved somewhat in March. Seasonal employment gains began slightly earlier this year compared with 1985. Employment levels increased by about 2,400 positions between February and March, or nearly five times the jobs added for the same period one year ago. Each of the four economic development regions shared in this seasonal growth of jobs.

The estimated number of persons without jobs declined in March, by slightly less than the count of additional jobs, with some 2,200 fewer jobseekers over the month. With the combination of an increase in jobs and a decrease in those without work, the average rate of unemployment declined to 8.0 percent, down one-half of one percent from February's 8.5 percent rate. As with the employment estimates, all four regions shared in the decline of jobseekers.

Compared with one year ago, however, southern Minnesota's employment situation has deteriorated slightly. Nearly 1,200 fewer jobs were held by the region's labor force participants, and there were about 800 more jobseekers this March than in 1985. One year ago the rate of unemployment was slightly lower, with 7.8 percent of the labor force without jobs.

8/12/86 54205-1

CURRENT MINNESOTA LABOR MARKET CONDITIONS

June 1986 Supplement to the Review of Labor and Economic Conditions

Prepared by Research & Statistics Office, MN Dept. of Jobs & Training, 390 N. Robert St., St. Paul, MN 55101, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, and Employment and Training Admin.

Nation

The Nation's economy remained sluggish in May as nearly all major monthly economic indicators performed weakly. Also, the growth of real gross national product for the first quarter was revised sharply downward.

Weak labor market conditions were evidenced in May as the unemployment rate rose and both total and nonfarm payroll employment increased modestly. After dropping the last two months, the seasonally adjusted unemployment rate climbed 0.2 of a point to 7.3 percent in May, the same as in February and May 1985. Also, seasonally adjusted nonfarm payroll employment rose by a modest 149,000 in May as the services producing industry increases offset declines in goods-producing industries, particularly in mining and manufacturing. The biggest over-the-month gainers were services (99,000), retail trade (44,000), and finance-insurance-real estate (28,000). Conversely, employment in durable goods manufacturing fell by 31,000 in May and has declined by 81,000 since January. Half of the May drop in durable goods was in the auto industry. Also, employment in oil and gas extraction decreased by 28,000 in May and by 95,000 since January.

Except for personal spending which rose briskly in May, other economic news was not encouraging. Industrial production, retail sales, housing starts, and personal income all declined in May. The May drop in industrial production was the third in the past four months.

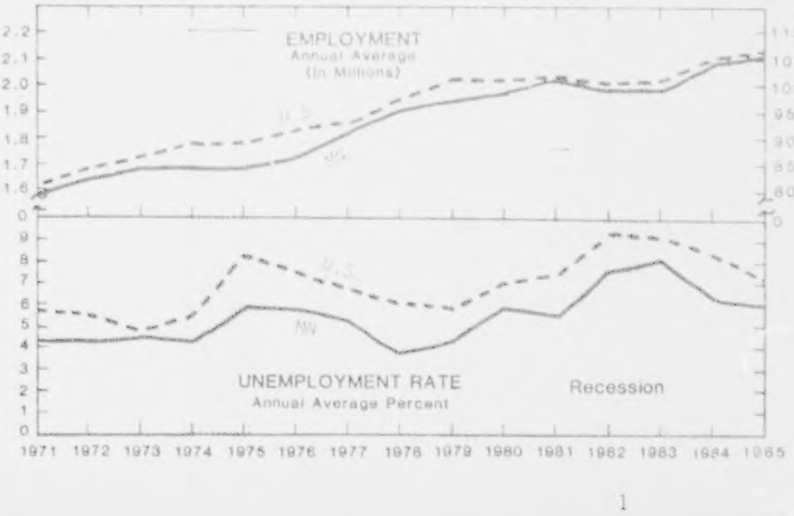
State

Minnesota's economy improved noticeably in May as the unemployment rate fell further. Both total and nonfarm payroll employment rose after declines in April. Economists still expect economic growth to accelerate in the second half of 1986.

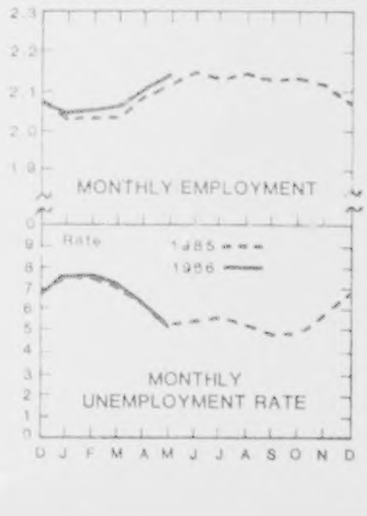
Minnesota's seasonally adjusted unemployment rate dropped a steep 0.4 of a point to 5.4 percent in May after declining 0.3 of a point in April. The rate is now a full point below January's recent high. Also, although seasonally adjusted employment rose only 700 in May, it came after a decline of 13,300 in April. Furthermore, seasonally adjusted nonfarm payroll employment climbed by a strong 4,265 in May following April's drop of 3,204. The largest over-the-month payroll gains were in services, especially personal and business services; government, particularly state & local education, and retail trade. The biggest over-the-month declines were in nondurable goods manufacturing, particularly food processing and printing & publishing; wholesale trade; and durable goods manufacturing, especially transportation equipment. Employment in transportation equipment has fallen by 1,462 since January. One encouraging sign was that employment in office computing equipment rose slightly in May after dropping in 12 of the past 14 months. Over-the-year, payroll employment was up by 23,672 as large gains in business and health services, government education, retail trade, and finance & insurance offset sizeable declines in computer manufacturing, communications, and metal mining.

Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	[illegible]	Change From		May 1986	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2,258.6	12.2	38.7	117.2	0.9	2.3
Employed	2,142.7	33.4	36.0	109.0	0.8	2.2
Unemployed	115.9	-21.3	+2.7	8.2	0.1	0.1
Unemployment Rate						
Actual	5.1	-1.0	-0.2	7.0	0.0	0.0
Seasonally Adjusted	5.4	-0.4	-0.1	7.3	0.2	0.0

MN and the U.S., Employment & Unemployment Rate



MN, 1985 and 1986



Labor Market Conditions

MINNESOTA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT 1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS 2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	May 1986	April 1986	May 1985	April 1986	May 1985	May 1986	May 1985	May 1986	May 1985	May 1986	May 1985
Total Nonagricultural	1,906.1	1,876.5	1,882.2	1.6	1.3						
Manufacturing	366.2	365.6	374.5	0.2	-2.2	411.03	400.39	10.25	10.06	40.1	39.8
Durable Goods	218.4	218.1	227.6	0.1	-4.1	430.13	412.50	10.44	10.16	41.2	40.6
Lumber and Furniture	17.6	17.3	16.6	1.7	5.6	468.84	454.57	11.11	11.06	42.2	41.1
Stone, Clay and Glass	7.5	6.7	8.5	12.0	-11.1	438.95	381.37	10.68	10.42	41.1	36.6
Primary Metals	6.2	6.2	6.3	0.0	-2.0	359.31	418.84	8.85	9.37	40.6	44.7
Fabricated Metals	36.7	36.5	35.6	0.6	3.2	460.32	447.58	11.20	10.89	41.1	41.1
Nonelectrical Machinery	82.0	82.6	91.4	-0.7	-10.2	445.26	430.44	10.86	10.55	41.0	40.8
Office and Computing	41.9	41.9	48.4	-0.2	-13.5	471.44	453.91	11.36	11.18	41.5	40.6
Electrical Machinery	26.9	27.1	28.4	-0.7	-5.3	336.00	308.10	8.40	7.80	40.0	39.5
Transportation Equipment	7.5	7.6	7.7	-1.6	-3.3	539.61	500.98	12.52	11.57	43.1	43.3
Scientific Instruments	28.2	28.2	27.6	-0.1	2.0	410.20	398.05	9.79	9.78	41.9	40.6
Miscellaneous Manufacturing	5.8	5.8	5.5	-1.4	4.4	375.06	367.47	9.40	9.51	39.9	38.5
Nondurable Goods	147.8	147.6	146.8	0.2	0.7	387.22	383.52	9.98	9.91	38.8	38.7
Food and Kindred	42.3	42.0	42.3	0.7	0.1	353.99	334.57	9.10	8.69	38.9	38.5
Textiles and Apparel	4.4	4.4	4.7	0.8	-6.6	250.79	234.21	6.67	6.33	37.6	37.0
Paper and Allied	32.3	32.1	33.2	0.5	-2.8	506.75	495.23	11.98	11.68	42.3	42.4
Printing and Publishing	44.3	44.8	42.8	-1.2	3.5	362.16	381.19	10.06	10.53	36.0	36.2
Chemicals and Petroleum	10.5	10.2	10.2	2.4	2.6	483.62	442.09	11.71	11.08	41.3	39.9
Rubber, Plastic and Leather	14.0	14.0	13.6	0.2	3.0	308.27	319.42	8.07	8.34	38.2	38.3
Nonmanufacturing	1,539.9	1,510.9	1,507.8	1.9	2.1						
Mining	8.5	7.9	9.8	7.1	-13.6	507.74	521.80	13.12	12.98	38.7	40.2
Metal Mining	6.3	6.2	7.7	0.9	-18.7	557.94	547.67	14.38	13.83	38.8	39.6
Construction	75.1	65.4	72.3	14.9	3.9	559.63	555.17	14.65	15.21	38.2	36.5
Transport., Comm., & Pub. Util.	99.1	97.9	99.5	1.2	-0.5						
Transportation	66.2	65.0	65.0	1.8	1.7						
Trucking and Warehousing	26.2	25.8	26.7	1.6	-1.9	394.06	395.26	12.20	11.49	32.3	34.4
Communication and Public Util.	32.9	32.9	34.5	0.0	-4.6	547.79	534.90	14.01	13.24	39.1	40.4
Trade	473.1	465.4	468.2	1.7	1.1	236.68	229.98	7.76	7.59	30.5	30.3
Wholesale	116.8	116.2	116.7	0.5	0.2	414.22	384.72	10.46	9.89	39.6	38.9
Retail	356.3	349.2	351.6	2.0	1.3	186.09	185.15	6.67	6.66	27.9	27.8
Building Materials	17.8	16.9	17.9	5.2	-0.8	316.92	319.29	8.34	8.70	38.0	36.7
General Merchandise	49.0	48.5	48.4	1.0	1.3	185.46	169.74	6.60	6.31	28.1	26.9
Food Stores	47.7	46.8	46.6	1.9	2.3	207.94	205.92	7.22	7.15	28.8	28.8
Automotive	40.2	39.5	38.9	1.8	3.3	343.13	351.54	9.15	9.30	37.5	37.8
Apparel	17.6	17.6	17.8	0.5	-0.9	120.89	117.68	5.52	5.23	21.9	22.4
Home Furnishings	14.5	14.5	13.7	0.5	5.8	234.56	250.92	7.33	7.64	32.0	32.7
Eating and Drinking	122.8	119.3	121.6	2.9	1.0	104.88	104.42	4.60	4.56	22.8	22.9
Fin., Insur., Real Est.	115.2	114.8	110.3	0.4	4.5						
Finance	53.8	53.8	51.4	0.0	4.7						
Insurance	42.3	42.2	40.2	0.1	5.3						
Real Estate	19.1	18.7	18.7	2.1	2.1						
Services	449.1	443.9	435.9	1.2	3.0						
Personal Services	22.1	22.4	21.6	-1.5	2.0						
Business Services	81.4	80.0	77.0	1.7	5.7						
Repair Services	19.3	19.4	18.7	-0.5	3.4						
Health Services	141.9	141.6	139.3	0.2	1.9						
Hospitals	49.5	49.4	49.8	0.2	-0.6						
Nursing Homes	40.6	40.5	39.8	0.3	2.0						
Legal Services	13.1	13.0	12.4	0.7	5.7						
Private Education	26.0	26.4	25.3	-1.5	2.8						
Government	319.8	315.7	311.8	1.3	2.6						
Federal	33.3	33.2	32.0	0.3	4.0						
State	80.7	79.3	78.4	1.7	2.9						
Education	45.0	43.9	42.7	2.5	5.6						
Local	205.8	203.1	201.4	1.3	2.2						
Education	110.9	110.0	107.4	0.8	3.2						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Selected Minnesota Program Statistics

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

The total number of claimants of unemployment benefits declined more steeply than they normally do in May, dropping 16,504 or 31.4 percent. The average percentage drop between April and May over the past eight years was 26.6 percent. All industries showed larger than average percentage decreases in May. The largest over-the-month declines were in construction (8,836); manufacturing (2,853); and retail trade (1,187). Also, seasonally adjusted data show that total claimants fell for the second consecutive month in May. Over-the-year, the total number of claimants rose by 2,170 or 6.4 percent. The biggest over-the-year increases were in services (907); retail trade (588); and construction (348). Although total claimants have exceeded their year earlier levels for eighteen straight months, the over-the-year gains in percentage terms this year have thus far been much smaller than those of last year.

Table 1. Distribution of Insured Unemployed, by Age and Sex, May 1986

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	**36,059**	**66.4**	**100.0**	**100.0**
Under 45	27,060	67.0	75.7	73.7
Under 25	5,039	65.7	13.8	14.3
25-34	13,323	68.2	38.0	34.9
35-44	8,698	65.8	23.9	24.5
45 and Over	8,999	64.5	24.3	26.3
45-54	5,082	63.7	13.6	15.2
55 and Over	3,917	65.6	10.7	11.1

TABLE 2. Distribution of Insured Unemployed by Industry and Occupation, May 1986

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term1/ Unemployed	Women as Percent of Total
Total, All Industries	**36,059**	**100.0**	**29.1**	**33.9**
Ag., For., Fish.	369	1.0	37.9	22.2
Mining	580	1.6	62.1	7.0
Construction	6,168	17.1	30.7	4.6
Manufacturing	12,700	35.2	28.4	36.9
Public Utilities	1,795	5.0	31.2	23.5
Wholesale Trade	[illegible]	6.7	28.8	26.7
Retail Trade	4,230	[illegible]	31.0	42.8
Finance, Insurance, Real Estate	1,008	2.8	[illegible]	58.7
Services	5,857	16.3	24.6	56.1
Public Admin.	483	1.3	26.4	41.4
Info. Not Available	446	1.3	3.4	33.2
Total, All Occupations	**36,059**	**100.0**	**29.1**	**33.9**
Prof., Tech., Mgr.	5,898	16.4	29.1	39.2
Clerical	4,260	11.8	28.7	80.2
Sales	1,749	4.9	30.3	34.8
Services	2,231	6.2	26.4	53.1
Farm., For., Fish.	338	0.9	25.9	9.0
Processing	1,944	5.4	23.7	36.9
Machine Trades	2,571	7.1	29.4	15.2
Benchwork	4,196	11.6	30.1	59.8
Structural Work	7,658	21.2	29.3	2.3
Miscellaneous	5,028	14.0	31.1	15.1
Info. Not Available	186	0.5	45.2	35.5

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., wehereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand

Occupation	Applicants (Supply) May 1986	Job Openings (Demand) May 1986	Supply/Demand Ratio	
			May 1986	May 1985
Total	**103,278**	**10,823**	**9.5**	**8.4**
Prof., Tech., Mgr.	12,547	1,280	9.8	7.4
Clerical	17,655	2,286	7.7	6.9
Sales	5,407	947	5.7	3.7
Domestic Services	1,587	152	10.4	10.9
Other Services	15,985	3,154	5.1	4.6
Farm., Fish., For.	2,806	157	17.9	16.0
Processing	1,974	527	3.7	3.7
Machine Trades	6,906	369	18.7	17.3
Benchwork	7,454	396	18.8	10.3
Structural Work	13,717	594	23.1	22.6
Mtr. Frght., Trans.	4,348	349	12.5	13.8
Pkg. & Mat. Hndlg.	11,893	530	22.4	35.8
Other	999	82	12.2	18.2

1/ Inexperienced and improperly coded job applicants are not included in this table.

Analysis of Local Conditions
MINNEAPOLIS-ST. PAUL MSA

By Bruce Steuernagel

Employment and unemployment statistics for the Minneapolis-St. Paul MSA in May were the most positive in many months. Nonagricultural wage and salary employment, adjusted for seasonal factors, increased for the first time since January. Manufacturing jobs were down again, but only slightly. The electronics and computer manufacturing industries continue to trim their work forces. Other parts of the manufacturing sector also experienced cutbacks, but they were not as severe. Transportation equipment, miscellaneous durable goods, paper and printing were among the other industries which had fewer jobs in May. However, the strong residential construction activity continued to bolster employment in the wood products manufacturing industry. Fabricated metal products was also one of the few durable goods industries to add workers in May.

Construction employment rebounded in May as the weather improved from extremely wet conditions in April. The services industries added workers in May, especially in the entertainment and recreation industry group. The local racetrack opened its second season earlier this year. Other service industry groups adding workers were personal and business services. Finally, the government sector added jobs in May primarily in local units as workers were hired for summer street, park, and recreation projects.

The unemployment rate in the Twin Cities area dropped to 4.1 percent in May. The number of unemployed workers dropped by 12.6 percent between April and May, a considerably greater relative decline than usual for these months. Over the past 16 years, the number of unemployed has dropped by an average of 6.2 percent. The unemployment rate also dropped by a greater than average amount in May, 0.6 of a percentage point compared to an average of 0.3 of a percentage point. The May jobless rate is at the same level it was a year ago. This was the first time since December 1985 that the unemployment rate was not higher than the rate a year ago.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985
Minneapolis-St. Paul MSA*	1,331,196	1,325,404	1,298,043	54,214	62,050	57,782	4.1	4.7	4.1
REGION 11	1,236,741	1,230,088	1,204,776	50,030	56,143	48,095	4.0	4.6	4.0
Anoka	126,590	126,158	123,200	5,756	6,623	5,423	4.5	5.2	4.4
Carver	23,260	23,289	22,666	756	1,029	734	3.3	4.4	3.2
Dakota	127,155	126,705	124,300	4,811	5,628	5,052	3.8	4.5	4.1
Hennepin	579,748	574,992	563,424	23,233	25,453	21,966	4.0	4.4	3.9
Ramsey	279,811	277,933	272,573	11,814	12,819	11,356	4.2	4.6	4.2
Scott	28,098	28,218	27,446	1,098	1,509	1,130	3.9	5.3	4.1
Washington	73,079	72,793	71,162	2,560	3,032	2,432	3.5	4.2	3.4
Chisago*	16,646	16,900	16,293	849	1,273	898	5.1	7.5	5.5
Isanti*	14,658	14,955	14,842	630	888	982	4.3	5.9	6.6
Wright*	37,078	37,490	36,305	1,577	2,371	1,703	4.3	6.3	4.7
St. Croix, WI	25,873	25,971	25,827	1,120	1,375	1,108	4.3	5.3	4.3
Bloomington	50,371	50,029	48,620	2,180	2,356	1,846	4.3	4.7	3.8
Minneapolis	214,835	213,723	207,879	9,596	10,662	7,804	4.5	5.0	3.8
St. Paul	159,835	158,723	155,906	7,535	8,041	7,440	4.7	5.1	4.8

* Chisago, Isanti and Wright counties are a part of the Minneapolis/St. Paul-MN-WI MSA, but are included in Region 7.

Analysis of Local Conditions

MPLS-ST. PAUL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	May 1986	April 1986	May 1985	April 1986	May 1985	May 1986	May 1985	May 1986	May 1985	May 1986	May 1985
Total Nonagricultural	1,237.0	1,222.9	1,215.0	1.2	1.8	-	-	-	-	-	-
Manufacturing	251.5	251.4	257.9	0.1	-2.5	443.59	430.00	10.98	10.75	40.4	39.9
Durable Goods	159.0	159.3	164.4	-0.2	-3.3	453.06	439.11	10.97	10.71	41.3	41.0
Lumber and Furniture	8.2	7.9	7.3	4.5	13.3	499.25	500.86	11.53	12.04	43.3	41.6
Stone, Clay and Glass	2.9	2.7	3.0	5.8	-3.6	496.95	416.93	12.21	10.32	40.7	40.4
Primary Metals	4.9	4.9	4.9	-0.5	0.9	347.24	421.74	8.49	9.30	40.9	45.2
Fabricated Metals	30.2	30.0	28.6	0.6	5.5	483.97	476.63	11.69	11.42	41.4	41.6
Nonelectrical Machinery	63.5	64.1	71.0	-1.0	-10.6	471.65	444.57	11.42	10.95	41.3	40.6
Office and Computing	32.1	32.8	38.1	-2.0	-15.5	505.56	456.86	11.98	11.44	42.2	39.8
Electrical Machinery	15.7	15.7	17.3	-0.3	-9.2	341.61	316.95	8.85	8.18	38.6	38.7
Transportation Equipment	4.5	4.6	4.3	-2.5	4.8	649.49	680.62	14.15	14.15	45.9	48.1
Scientific Instruments	25.3	25.3	24.4	0.1	3.4	410.47	407.62	10.11	10.03	40.6	40.6
Miscellaneous Manufacturing	3.9	4.0	3.8	-3.5	3.3	389.58	397.70	9.06	10.25	43.0	38.7
Nondurable Goods	92.5	92.1	93.5	0.4	-1.0	428.22	413.71	10.98	10.82	39.0	38.2
Food and Kindred	18.2	18.0	18.0	1.2	1.1	428.89	401.58	10.41	9.93	41.2	40.4
Textiles and Apparel	1.5	1.5	2.2	2.2	-30.2	266.11	261.79	6.72	6.48	39.6	40.4
Paper and Allied	25.2	25.1	26.0	0.3	-2.8	473.88	442.61	11.53	11.31	41.1	39.0
Printing and Publishing	30.2	30.4	30.2	-0.6	0.2	394.52	410.47	11.02	11.53	35.8	35.6
Chemicals and Petroleum	8.8	8.5	8.5	2.9	3.8	517.45	475.50	12.84	12.12	40.3	39.1
Rubber, Plastic and Leather	8.6	8.6	8.7	0.2	-1.1	391.02	361.56	9.80	9.20	39.9	39.2
Nonmanufacturing	985.5	971.5	957.1	1.4	3.0	-	-	-	-	-	-
Mining	-	-	-	-	-	-	-	-	-	-	-
Metal Mining	-	-	-	-	-	-	-	-	-	-	-
Construction	48.3	43.3	46.5	11.7	3.9	609.00	581.58	16.24	16.19	37.5	35.9
Transport., Comm., & Pub. Util.	68.8	68.5	67.6	0.5	1.9	413.95	288.44	12.32	11.18	33.6	25.8
Transportation	47.9	47.6	45.4	0.5	5.5	329.06	215.85	10.86	10.22	30.3	21.0
Trucking and Warehousing	16.3	16.3	16.0	0.1	1.8	381.06	395.42	13.05	12.27	29.2	32.2
Communication and Public Util.	21.0	20.9	22.2	0.3	-5.4	526.30	453.70	13.85	12.42	38.0	36.5
Trade	301.8	299.6	296.3	0.8	1.9	259.25	246.00	8.39	8.19	30.9	29.9
Wholesale	78.4	78.6	77.7	-0.2	0	441.29	405.50	11.06	10.55	39.9	38.4
Retail	223.4	221.0	218.6	1.1	2.2	205.01	196.01	7.27	7.17	28.2	27.3
Building Materials	10.0	9.5	9.9	4.7	1.1	339.75	339.32	9.06	9.30	37.5	36.5
General Merchandise	35.8	35.4	34.8	1.1	3.0	198.93	179.56	6.98	6.69	28.5	26.7
Food Stores	27.0	26.6	26.4	1.2	2.1	286.79	242.40	8.51	8.33	33.7	29.0
Automotive	23.4	23.1	22.5	1.3	3.7	412.78	394.98	10.45	10.17	39.5	38.7
Apparel	11.4	11.4	11.7	-0.4	-2.4	113.83	111.32	5.58	5.06	20.4	21.9
Home Furnishings	10.4	10.4	9.4	0.1	10.7	184.47	272.30	6.45	8.08	28.6	33.7
Eating and Drinking	76.1	75.1	75.0	1.3	1.4	106.85	99.64	4.87	4.69	21.9	21.2
Fin., Insur., Real Est.	89.3	88.9	84.2	0.5	6.1	329.91	311.95	8.31	8.56	39.7	36.4
Finance	37.7	37.6	35.6	0.1	6.0	363.37	317.55	8.95	8.70	40.6	36.5
Insurance	35.3	35.3	33.6	0.1	5.2	320.72	363.81	7.88	9.04	40.7	40.1
Real Estate	16.3	16.0	15.1	2.2	8.2	215.64	196.60	7.07	6.84	30.5	28.7
Services	304.8	302.0	295.6	0.9	3.1						
Personal Services	16.0	17.1	15.0	-0.9	6.5						
Business Services	69.4	68.5	67.6	1.3	2.7						
Repair Services	14.7	14.7	14.1	-0.2	4.7						
Health Services	79.1	79.2	78.2	-0.1	1.2						
Hospitals	29.2	29.2	29.4	0.2	-0.5						
Nursing Homes	21.6	21.6	21.4	-0.1	0.9						
Legal Services	9.8	9.7	9.6	0.8	2.7						
Private Education	16.6	17.0	16.5	-2.3	1.0						
Government	172.4	169.3	167.0	1.8	3.2						
Federal	19.6	19.6	18.5	0.0	5.8						
State	52.7	51.7	51.6	2.0	2.1						
Education	29.6	28.8	27.9	2.8	6.1						
Local	100.1	98.0	96.9	2.1	3.3						
Education	54.1	53.4	52.1	1.4	3.8						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Analysis of Local Conditions

CENTRAL AND NORTHWEST MINNESOTA

By Ron Daws

St. Cloud's unemployment rate for May, at 5.3 percent, dropped to the lowest level for that month since May of 1979. Last year the rate was 6.6 percent, the same as for a month ago (April). As the number of jobless dropped by 921 over the year, and by 1,118 over the month, employment during May reached the highest level ever for the St. Cloud MSA. The previous high was reached in June 1984.

As mentioned last month, durable goods manufacturing employment is reduced by about 100 workers due to a seasonal layoff at Franklin Manufacturing, St. Cloud's second largest manufacturer and a builder of refrigeration units. Producers of nondurable goods, however, performed strongly compared with a year ago, employing 16.1 percent or about 700 more workers this May.

The construction industry continues to rebound, reaching levels substantially higher than a month and year ago. Retail trade, also performed strongly, with substantially more workers than a month and a year ago.

Clearly, the nonagricultural sector of the St. Cloud economy is nearly as healthy as it has ever been. Despite minor employment losses in durable goods manufacturing and government, other substantial increases in durable goods manufacturing, retail trade and construction have pushed employment levels to new heights.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985
St. Cloud MSA 1/	88,831	88,279	85,635	4,736	5,854	5.657	5.3	6.6	6.6
REGION 1	41,146	41,851	42,862	3,623	5,278	3,862	8.8	12.6	9.0
Kittson	2,813	2,871	2,997	277	430	259	9.8	15.0	8.6
Marshall	5,442	5,536	5,753	672	999	727	12.3	18.0	12.6
Norman	3,758	3,786	3,986	268	408	280	7.1	10.8	7.0
Pennington	6,266	6,298	6,194	496	666	487	7.9	10.6	7.9
Polk	14,559	14,365	15,054	1,277	1,563	1,402	8.8	10.9	9.3
Red Lake	2,045	2,107	2,081	311	449	259	15.2	21.3	12.4
Roseau	6,263	6,888	6,797	322	763	448	5.1	11.1	6.6
REGION 2	29,723	29,847	31,996	2,613	3,552	2,698	8.8	11.9	8.4
Beltrami	15,836	16,130	16,891	1,222	1,586	1,208	7.7	9.8	7.2
Clearwater	3,571	3,727	3,772	527	810	518	14.8	21.7	13.7
Hubbard	6,195	5,949	6,741	510	715	558	8.2	12.0	8.3
Lake of Woods	1,937	1,902	2,104	117	161	145	6.0	8.5	6.9
Mahnomen	2,184	2,139	2,488	237	280	269	10.9	13.1	10.8
REGION 4	99,808	98,585	101,133	5,770	7,876	6,149	5.8	8.0	6.1
Becker	12,920	12,636	12,694	1,116	1,462	1,114	8.6	11.6	8.8
Clay	27,398	27,522	26,698	1,229	1,827	1,216	4.5	6.6	4.6
Douglas	14,388	14,188	14,549	750	992	844	5.2	7.0	5.8
Grant	3,251	3,163	3,629	207	276	182	6.4	8.7	5.0
Otter Tail	24,817	24,350	25,885	1,619	2,138	1,872	6.5	8.8	7.2
Pope	5,032	4,939	5,261	296	407	310	5.9	8.2	5.9
Stevens	5,769	5,590	5,723	223	327	214	3.9	5.8	3.7
Traverse	2,486	2,465	2,699	120	156	119	4.8	6.3	4.4
Wilkin	3,747	3,732	3,975	210	291	278	5.6	7.8	7.0
REGION 5	57,703	56,034	60,842	4,373	5,732	4,844	7.6	10.2	8.0
Cass	9,252	8,845	10,232	910	1,196	924	9.8	13.5	9.0
Crow Wing	20,203	19,197	20,845	1,356	1,693	1,573	6.7	8.8	7.5
Morrison	13,316	13,169	14,09	985	1,359	1,148	7.4	10.3	8.1
Todd	10,227	10,098	10,732	769	967	806	7.5	9.6	7.5
Wadena	4,705	4,726	4,943	353	517	393	7.5	10.9	8.0
REGION 6E	53,073	52,363	53,800	3,524	4,512	3,567	6.6	8.6	6.6
Kandiyohi	17,653	17,541	18,511	1,051	1,255	1,125	6.0	7.2	6.1
McLeod	15,827	15,576	15,697	815	1,009	838	5.1	6.5	5.3
Meeker	9,805	9,473	8,983	893	1,200	687	9.1	12.7	7.6
Renville	9,788	9,773	10,609	765	1,048	917	7.8	10.7	8.6
REGION 7E	55,204	55,187	55,890	3,316	4,724	4,140	6.0	8.6	7.3
Chisago	16,646	16,900	16,293	849	1,273	896	5.1	7.5	5.5
Isanti	14,858	14,955	14,842	638	888	982	4.3	5.9	6.6
Kanabec	5,913	5,815	6,133	439	627	616	7.4	10.8	10.0
Mille Lacs	8,676	8,488	9,181	585	786	725	6.7	9.3	7.9
Pine	9,111	9,029	9,441	805	1,150	885	8.8	12.7	9.4
REGION 7W	125,909	125,769	121,940	6,313	8,225	7,360	5.0	6.5	6.0
Benton	13,694	13,697	13,193	725	985	859	5.3	7.2	6.5
Sherburne	17,128	17,010	16,284	1,082	1,283	1,024	6.3	7.5	6.3
Stearns	58,009	57,572	56,158	2,929	3,586	3,774	5.0	6.2	6.7
Wright	37,078	37,490	36,305	1,577	2,371	1,703	4.3	6.3	4.7

1/ Benton, Stearns, and Sherburne Counties

ST. CLOUD MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	May 1986	April 1986	May 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	66,011	65,015	64,423	1.5	2.5
Total Manufacturing	11,316	11,328	10,638	-0.1	6.4
Durable Goods	6,207	6,314	6,238	-1.7	-0.5
Nondurable Goods	5,109	5,014	4,400	1.9	16.1
Total Nonmanufacturing	54,695	53,687	53,785	1.9	1.7
Construction	2,516	2,311	3,054	8.9	17.6
Transp., Comm. & Pub. Util.	3,743	3,704	3,684	1.1	1.6
Wholesale Trade	3,264	3,271	3,111	-0.2	4.9
Retail Trade	16,766	16,344	15,237	2.6	10.0
Finance, Insur. & Real Estate	2,243	2,238	2,165	0.2	3.6
Service & Miscellaneous	13,559	13,326	13,451	1.7	0.8
Government	12,604	12,493	13,083	0.9	-3.7

Analysis of Local Conditions

NORTHEAST MINNESOTA

By Mike Casey

For the fourth consecutive month, employment levels throughout northeastern Minnesota improved over the previous month while the estimated number of persons without jobs declined. May's level of unemployment stood at 8.9 percent of the regional labor force. This was one-half of one percentage point below the year-ago level and nearly 2½ percentage points below the May, 1984 jobless rate of 11.1 percent. Not since June of last year has there been a lower rate of unemployment in the region.

Employment gains occurred in nearly all sectors of the economy, according to the survey of nonagricultural businesses selected from employers in the Duluth-Superior Metropolitan Statistical Area, which includes St. Louis County in Minnesota, and Douglas County in Wisconsin. Construction employment increased by a significant rate, due primarily to the seasonal influence of a warming climate. Employment in this industry is expected to have a fairly steady growth throughout the rest of the year because of several large construction projects; in particular, the paper mill project in Duluth which should take about two years for completion. Employment opportunities are also improving in the tourism support industries such as the restaurant/fast food sector of retail trade, and the lodging sector of the service industry, two other growth areas between April and May. And with more interest in vacationing in this country, summer jobs at dining and lodging facilities are expected to be more plentiful than in recent years.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985
REGION 3	133,414	134,065	136,487	11,811	14,950	12,771	8.9	11.2	9.4
Aitkin	5,211	5,174	5,560	607	829	717	11.6	16.0	12.9
Carlton	11,163	11,237	11,486	1,129	1,410	1,050	10.1	12.5	9.1
Cook	2,342	2,185	2,597	137	250	215	5.8	11.4	8.3
Itasca	17,110	17,143	17,677	1,857	2,353	1,930	10.9	13.7	10.9
Koochiching	7,764	7,838	8,761	695	848	1,169	9.0	10.8	13.3
[illegible]	[illegible]	4,161	4,325	466	626	532	11.3	15.0	12.3
St. Louis	85,706	86,327	86,087	6,920	8,634	7,158	8.1	10.0	8.3
City of Duluth	34,417	34,377	34,757	2,264	2,670	2,546	6.6	7.8	7.3
Balance St. Louis	51,289	51,950	51,330	4,656	5,964	4,612	9.1	11.5	9.0

DULUTH AND DULUTH-SUPERIOR MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	May 1986	April 1986	May 1985	Mo. Ago	Yr. Ago	May 1986	April 1986	May 1985	Mo. Ago	Yr. Ago
Total Nonagricultural Wage & Salary	42,190	41,430	41,610	1.8	1.4	85,070	83,510	86,820	1.9	-2.0
Total Manufacturing	3,620	3,550	3,710	2.0	-2.4	6,900	6,750	7,010	2.2	-1.6
Durable Goods	1,680	1,640	1,750	2.4	-4.0	3,800	3,680	4,040	3.3	-5.9
Nondurable Goods	1,940	1,910	1,960	1.6	-1.0	3,100	3,070	2,970	1.0	4.4
Total Nonmanufacturing	38,570	37,880	37,900	1.8	1.8	78,170	76,750	79,810	1.9	-2.1
Construction	1,140	990	1,150	15.2	-0.9	2,650	2,260	2,780	17.3	-4.7
Transp., Comm., & Pub. Util.	3,070	2,960	3,140	3.7	-2.2	5,840	5,660	6,210	3.2	-6.0
Wholesale Trade	1,720	1,690	1,770	1.8	-2.8	3,590	3,520	3,580	2.0	0.3
Retail Trade	9,030	8,790	9,090	2.7	-0.7	18,190	17,700	18,390	2.8	-1.1
Finan., Insur., & Real Est.	1,770	1,780	1,760	-0.6	0.6	3,070	3,100	3,030	-1.0	1.3
Services, Mining, & Misc.	11,890	11,770	11,390	1.0	4.4	25,350	25,090	25,990	1.0	-2.5
Government	9,950	9,900	9,600	0.5	3.6	19,470	19,440	19,840	0.2	-1.9

Analysis of Local Conditions
SOUTHERN MINNESOTA

By Mike Casey

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985
REGION 6W	26,384	26,245	28,612	1,571	2,057	1,822	6.0	7.8	6.4
Big Stone	3,456	3,379	3,731	181	226	222	5.2	6.7	6.0
Chippewa	6,608	6,696	7,200	433	622	455	6.6	9.3	6.3
Lac Qui Parle	4,649	4,580	4,921	229	277	273	4.9	6.0	5.5
Swift	5,484	5,476	6,113	440	517	513	8.0	9.4	8.4
Yellow Medicine	6,187	6,114	6,645	288	415	329	4.7	6.8	5.0
REGION 8	65,031	64,008	68,791	3,394	4,323	3,472	5.2	6.8	5.0
Cottonwood	6,391	6,298	6,649	374	452	338	5.9	7.2	5.1
Jackson	6,705	6,545	6,934	575	614	329	8.6	9.4	4.7
Lincoln	3,596	3,526	3,946	184	280	201	5.1	7.9	5.1
Lyon	13,352	13,189	13,777	604	872	597	4.5	6.6	4.3
Murray	5,005	4,891	5,469	280	405	331	5.6	8.3	6.1
Nobles	10,845	10,744	11,502	513	621	579	4.7	5.8	5.0
Pipestone	5,692	5,595	6,098	234	277	294	4.1	5.0	4.8
Redwood	8,691	8,540	9,374	444	584	609	5.1	6.8	6.5
Rock	4,754	4,680	5,042	186	218	194	3.9	4.7	3.8
REGION 9	112,313	111,405	114,606	5,902	7,375	5,945	5.3	6.6	5.2
Blue Earth	27,832	27,654	28,315	1,029	1,372	1,208	3.7	5.0	4.3
Brown	13,832	13,745	13,963	647	895	760	4.7	6.5	5.4
Faribault	9,319	9,370	9,260	621	866	476	6.7	9.2	5.1
Le Sueur	10,926	10,887	11,359	818	1,049	939	7.5	9.6	8.3
Martin	12,872	12,463	12,984	1,018	955	676	7.9	7.7	5.2
Nicollet	14,794	14,665	15,092	545	693	681	3.7	4.7	4.5
Sibley	7,320	7,291	7,804	495	692	505	6.8	9.5	6.5
Waseca	9,608	9,526	9,732	461	518	419	4.8	5.4	4.3
Watonwan	5,810	5,804	6,097	268	337	281	4.6	5.8	4.6
REGION 10	218,182	218,059	220,671	11,095	13,815	11,415	5.1	6.3	5.2
Dodge	8,020	7,859	8,111	508	704	467	6.3	9.0	5.8
Fillmore	10,919	10,843	11,417	639	877	728	5.9	8.1	6.4
Freeborn	17,088	17,061	17,434	880	1,188	999	5.1	7.0	5.7
Goodhue	20,366	20,384	20,420	922	1,149	1,093	4.5	5.6	5.4
Houston	9,385	9,297	9,892	491	591	522	5.2	6.4	5.3
Mower	19,837	19,586	20,268	1,299	1,421	973	6.5	7.3	4.8
Olmsted	57,584	57,458	58,073	2,062	2,511	2,273	3.6	4.4	3.9
Rice	26,010	26,086	25,837	1,446	1,829	1,605	5.6	7.0	6.2
Steele	15,458	15,169	14,940	906	1,060	798	5.9	7.0	5.3
Wabasha	8,991	8,911	9,316	562	742	600	6.3	8.3	6.4
Winona	25,524	25,405	24,963	1,380	1,743	1,357	5.4	6.9	5.4
ROCHESTER CITY	34,905	34,896	35,305	1,359	1,698	1,591	3.9	4.9	4.5

LABOR FORCE ESTIMATES

For the fourth consecutive month, estimates of total employment increased while the number of persons seeking work declined. Each of the four economic development regions shared in the generally seasonal improvements as the rate of unemployment in southern Minnesota fell to 5.2 percent. This was the lowest regional jobless rate since October of last year, and equal to the rate of one year ago.

Recent employment growth was concentrated in the construction industry throughout the thirty-four county area as construction workers filed some 1,900 fewer claims for unemployment compensation. This one industry accounted for more than one-half of the net drop in claims activity over the month. Reductions were also significant in both the durable goods and nondurable goods sectors of manufacturing. Nearly three-fourths of the improvement in claims filed occurred as the result of workers returning to work in these three important segements of the area's economy.

The outlook for employment opportunities in the southern part of the State is somewhat negative at this time. Estimates of the area's total employment have averaged some 5,500 fewer jobs through the first five months of the year. At a time when the farm situation is creating a demand for off-the-farm employment, the number of jobs continues to deteriorate.

ROCHESTER MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	May 1986	April 1986	May 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	55,160	54,540	55,380	1.1	-0.4
Total Manufacturing	10,630	10,640	11,210	-0.1	-5.2
Durable Goods	8,780	8,830	9,490	-0.6	-7.5
Nondurable Goods	1,850	1,810	1,720	2.2	7.6
Total Nonmanufacturing	44,530	43,900	44,170	1.4	0.8
Construction & Mining	1,960	1,570	1,930	4.8	1.6
Transp., Comm., & Public Util	1,860	1,870	1,890	-0.5	-1.6
Wholesale Trade	1,180	1,170	1,250	0.9	-5.6
Retail Trade	9,750	9,710	10,080	0.4	-3.3
Finan., Insur., & Real Estate	1,520	1,540	1,520	-1.3	0.0
Total Services	22,390	22,360	21,750	0.1	2.9
Health Services	15,490	15,480	15,020	0.1	3.1
Other Services	6,900	6,880	6,730	0.3	2.5
Government	5,870	5,690	5,750	3.2	2.1

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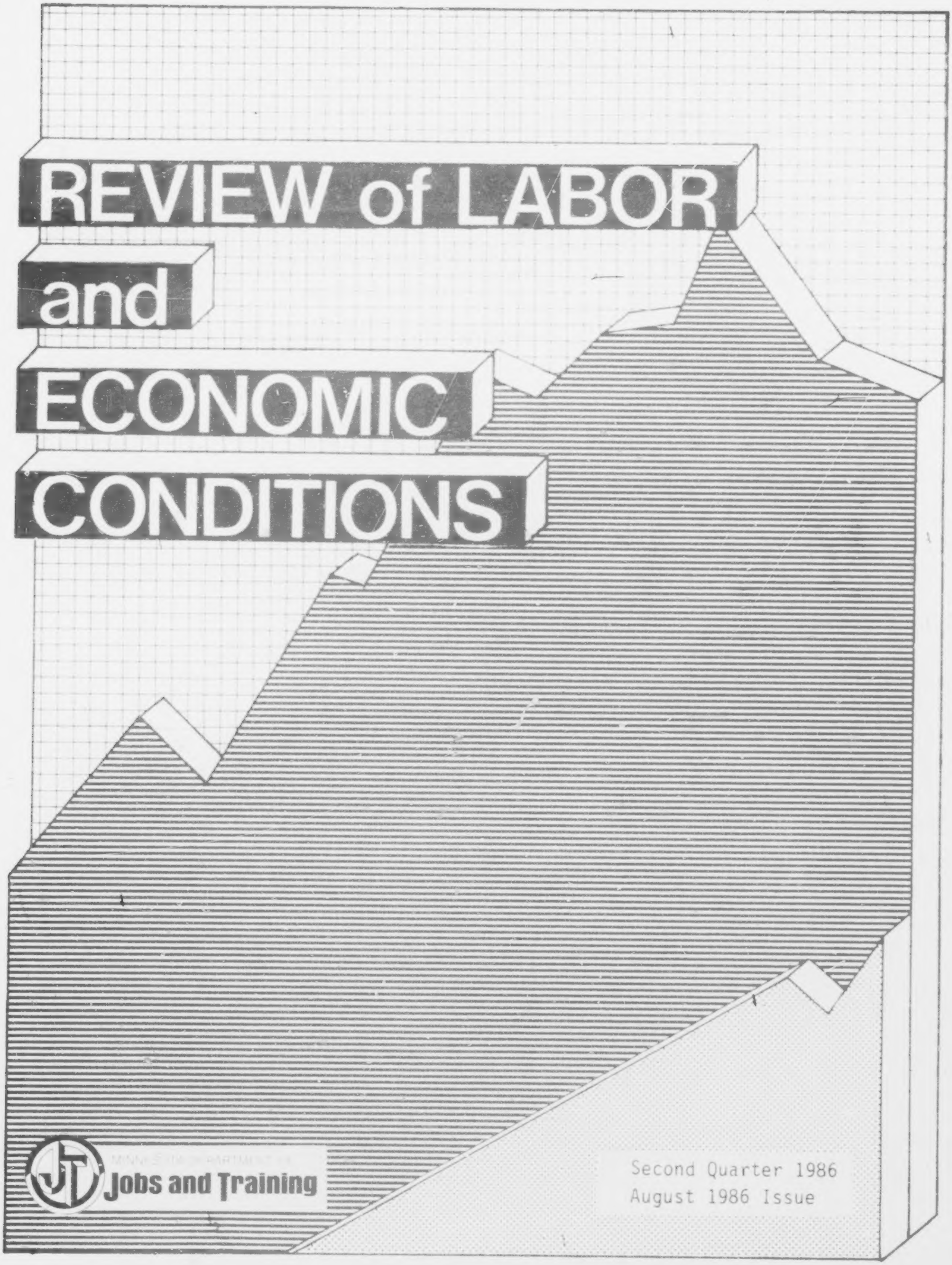

REVIEW of LABOR and ECONOMIC CONDITIONS

MINNESOTA DEPARTMENT OF
Jobs and Training

Second Quarter 1986
August 1986 Issue

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Articles on labor market conditions and the economic welfare of Minnesota workers or general economic conditions within the State are welcome. Articles should be submitted complete with tables and graphs. Length should not exceed ten double-spaced typewritten pages, including graphs, references, and notes. The editorial board reserves the right to edit articles for length and clarity.

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Research Summaries

JOB GROWTH WITHIN THE MINNEAPOLIS-ST. PAUL MSA

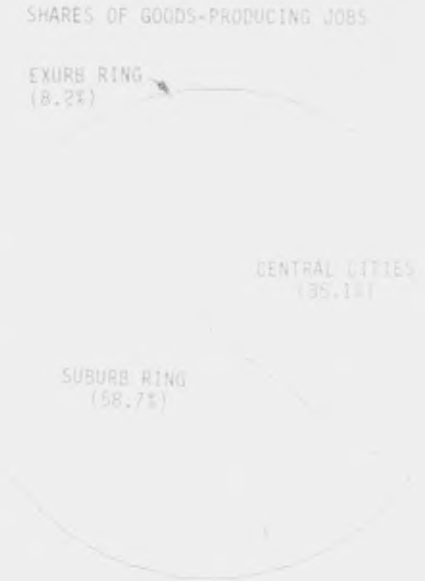
By Bruce Steuernagel

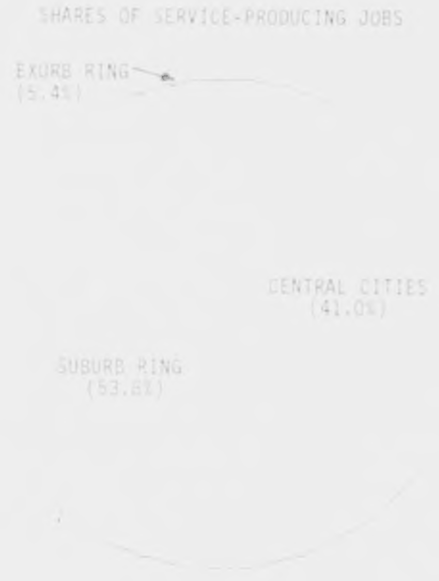
Since 1980, the number of wage and salary jobs1/ in the Minneapolis-St. Paul MSA has increased by over 98,000. About 93 percent of that increase has been in service-producing industries. This Research Summary article takes a brief look at where the job growth has taken place in the metropolitan area. We have divided the area into three geographic subareas. The central cities are Minneapolis and St. Paul. The suburban area is made up of the following counties surrounding the central cities: Anoka, Dakota, Hennepin (excluding Minneapolis), Ramsey (excluding St. Paul), and Washington. The exurban area is comprised of the following counties which are on the outer ring of the metropolitan area: Carver, Chisago, Isanti, St. Croix (WI), Scott, and Wright.

The following pie graphs show the 1985 percentage distribution of goods-producing2/ and service-producing3/ employment in these three areas.

Between 1980 and 1985, employment in the goods-producing industries has increased by about 7,100 in the Minneapolis-St. Paul MSA. All of the growth took place in the suburban and exurban areas. Goods-producing employment in the central cities decreased by over 10,700. There were over 15,200 additional goods-producing jobs in the suburban area in 1985 than in 1980 and over 2,500 additional goods-producing jobs in the exurban area over the five-year period.

There are several reasons for the decline of central city goods-producing employment. First of


SHARES OF GOODS-PRODUCING JOBS


SHARES OF SERVICE-PRODUCING JOBS

1/ Wage and salary jobs in establishments covered by Minnesota UI Law, about 97 percent of total wage and salary jobs.

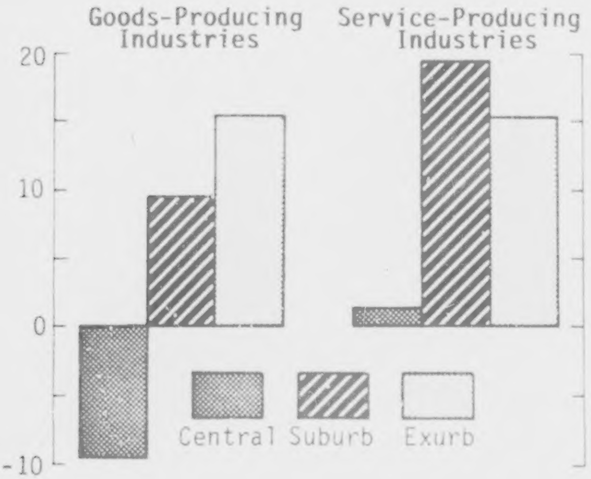
2/ Defined as manufacturing and construction while agriculture, forestry, and fishing and mining are also traditionally included in goods-producing employment, they represent only a small amount of employment in the Twin Cities area and are included in the service-producing sector in this study.

3/ Defined as transportation, communications, public utilities, trade, finance, insurance, real estate, services, government.

all, some large firms have gone out of business or relocated to other parts of the country. For example, in St. Paul, two large employers, Whirlpool and American Hoist and Derrick relocated a substantial share of their employment to other states. A second reason is that companies expanded or relocated to suburban or exurban areas where land was available. Other considerations for relocating would be better access to transportation and the availability of a labor supply.

In the service-producing industries employment in the central cities has increased by about 10,000 between 1980 and 1985. In the suburban area service-producing employment soared by over 75,000 while there was an increase of over 6,300 service-producing jobs in the exurban area. The rapid growth in the suburban and exurban areas is explained in part by the fact that population growth has occurred most rapidly in those areas. According to the Metropolitan Council and the State Demographer's Office, the population of the cities of Minneapolis and St. Paul has dropped from 641,181 to 629,900 (-1.8 percent) between 1980 and 1985. The suburban population increased from 1,263,862 to 1,353,286 (7.1 percent). The Minnesota portion of the exurban area grew from 188,828 to 209,594 (11.0 percent). This additional population has created the demand for retail shops, banks, health care, entertainment, and educational services among others. Establishments providing these services will be located conveniently to the customer base.

PERCENT CHANGE IN EMPLOYMENT
1980-1985



Some services are also exported to other parts of the State and upper-midwest region. Substantial growth of office space has occurred along I-494 which circles the southern and western suburban area. These offices are typically occupied by service-producing firms. Additionally, the airport generates a demand for hospitality services such as hotels and restaurants for business travelers and tourists alike.

The following is a list of the 10 largest suburban communities by employment size.

City	First Qtr. 1985 Employment
1. Bloomington	65,836
2. Edina	45,616
3. St. Louis Park	39,099
4. Roseville	35,117
5. Golden Valley	27,282
6. Minnetonka	27,206
7. Plymouth	23,156
8. Ft. Snelling-Airport	21,122
9. Eden Prairie	20,913
10. Fridley	20,637

SUPPLY/DEMAND FOR SPECIFIC OCCUPATIONS, AUGUST 1986[1]

By Debra Detrick

MINNESOTA

Shortage Occupations: restaurant workers#, truck drivers

Surplus Occupations: assemblers#, clerical workers, general laborers#, production factory workers#

CENTRAL MINNESOTA

Shortage Occupations: over-the-road truck drivers#, restaurant workers

Surplus Occupations: clerical workers, general laborers#, general office workers

MINNEAPOLIS-ST. PAUL

Shortage Occupations: fast-food restaurant workers#, secretaries, skilled clerical workers#, waitresses#

Surplus Occupations: assemblers#, electronic assemblers#, clerical workers, production factory workers#, unskilled laborers#

NORTHEASTERN MINNESOTA

Shortage Occupations: none

Surplus Occupations: auto mechanics#, construction workers#, electricians#, entry level managers#, laborers: construction#, general#, and mining#, machinists#, mining crafts#, office clerical workers#, painters#, pipefitters#, sales clerks#, teachers#, welders#

NORTHWESTERN MINNESOTA

Shortage Occupations: cooks#, truck drivers

Surplus Occupations: clerical workers#, construction workers#, general laborers#, production workers#, sales workers

SOUTHERN MINNESOTA

Shortage Occupations: farm hand workers, food service workers#, over-the-road truck drivers#

Surplus Occupations: cashiers#, clerical workers#, entry level managers#, factory assemblers#

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[1] Shortage occupations are those that are difficult to fill or go unfilled due to the lack of qualified applicants. Surplus occupations are those in which the number of qualified applicants greatly exceeds the number of openings.

# This occupation has been listed as a shortage or surplus occupation in at least two out of the last three quarters of the Review.

Forecasts

FORECASTS OF GNP & MINNESOTA PAYROLL EMPLOYMENT

By C. Cline

Forecasted growth rates based on the table below are almost unchanged compared to those published last quarter.

For real GNP the growth rate for the period from 1986:2 to 1987:2 is 7.42% compared with 7.34% for the 1986:1 to 1987:1 period reported last issue. For the second four-quarter period, ending with 1988:2, the forecast is for 4.73% compared to 4.59% before.

Similarly, total Minnesota wage and salary employment is forecasted to grow at 5.08% for the first four-quarter period. This compares with 5.29% growth in the previous forecast. The second four-quarter period shows 6.16% growth, unchanged from last time.

Forecasted growth rates for real GNP, as reported for eight national forecast firms by the Conference Board, range from 2.5% to 4.4% for the 1986:2 to 1987:2 period and from 2.3% to 3.6% for the 1987:2 to 1988:2 period. When total Minnesota employment is forecasted based on the average of these forecasts, the growth rates are 1.89% for the first and 2.3% for the second four-quarter period.

The forecast errors for 1986:2, when the one-period ahead forecast made last time is compared with actual data, are as follows: +0.49, +0.50, -5.35, -1.97, +0.42, +1.34, +0.59, -0.08, +0.94 and -0.11 percent, from left to right.

Quarter	Real GNP (Billions of 1972 Dollars)	MINNESOTA PAYROLL EMPLOYMENT, BY QUARTER (In Thousands)								
		Total Nonagricultural Wage & Salary	Mining	Contract Construction	Manufacturing	Transportation, Communications, & Public Utilities	Retail and Wholesale Trade	Finance, Insurance, & Real Estate	Services	Government
Current										
1986:2	3,661.50	1,900.91	8.23	74.28	367.77	98.40	472.64	115.39	448.31	315.81
Forecasts										
1986:3	3722.54	1920.49	8.98	87.42	380.72	98.76	478.88	116.85	456.39	290.79
1986:4	3789.91	1950.17	8.50	82.24	376.28	101.73	486.00	116.65	462.72	319.03
1987:1	3865.37	1915.44	7.88	62.80	375.07	99.80	469.85	116.86	461.40	322.63
1987:2	3933.24	1997.41	9.02	80.54	386.80	102.63	492.59	119.57	478.98	324.48
1987:3	3994.61	2038.25	9.25	95.79	408.79	103.89	501.03	121.51	486.17	300.20
1987:4	4042.85	2079.63	8.78	89.63	408.08	107.72	511.51	121.40	493.31	328.58
1988:1	4085.09	2039.28	8.28	67.31	407.26	105.48	494.94	121.73	491.71	332.56
1988:2	4119.33	2120.40	9.42	85.12	418.04	108.32	517.97	124.51	510.91	334.83

Notes

1. These forecasts are produced using the Vector Autoregression Model Developed for Research by Rao Aiyagari.
2. The concept of employment forecasted is that of Nonagricultural Wage and Salary employment. The count represents the number of jobs held since the data is generated from a survey of employer payroll records. Groups included in labor force employment, but excluded here are the self employed, domestics, unpaid family workers.
3. Employment forecasts are seasonally unadjusted values. Real GNP is seasonally adjusted.
4. Forecasts of major industry employment do not sum to the forecast of total wage and salary employment. This is due to random error in the forecasted values.
5. There is great diversity in the accuracy of the forecasts among the major industry divisions, especially mining. More information on their accuracy can be obtained from the author on request.

Feature Article

TRENDS IN WAGES AND PRICES IN MINNESOTA: 1983-1986

By Bruce Steuernagel

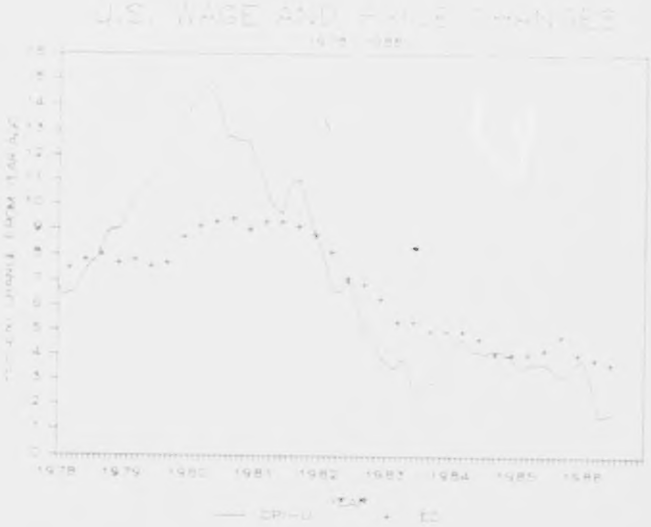
Periodically since 1976, articles have appeared in the Review of Labor and Economic Conditions reporting on trends in occupational wages in Minnesota[1/]. The results of the 1986 Minnesota Salary Survey are now available, and this article extends the data which appeared in those previous issues. In addition the article includes a comparison of national trends from 1978 through mid-1986 in inflation, as measured by the Consumer Price Index, and wage increases, as measured by the Employment Cost Index wage and salary series.

General Trends in National Prices and Earnings

The decade of the 1970's was characterized by rapidly increasing prices. The Consumer Price Index for urban wage earners and clerical workers (CPI-W), the cost of a market basket of goods and services, increased by an average of 11.2 percent per year between 1970 and 1980. In contrast to the 1970's prices have increased at a much slower rate in the 1980's. Between 1980 and 1985, the U.S. CPI-W increased by an average of 5.8 percent per year. Between July 1985 and July 1986, the CPI-W increased by only 1.6 percent. The solid line in Graph 1 shows the trend in price increases from January 1978 to June 1986 using the Consumer Price Index for all urban consumers (CPI-U). This price index covers a larger percentage of consumers than the CPI-W, but the general trend is very similar. The line peaked at 14.7 percent in March and April 1980, the dubious highpoint of the 1970-80 decade, before beginning its rapid descent during the severe recession of 1981-82.

Have wage levels paid to workers kept up with rising prices? The Bureau of Labor Statistics collects a variety of data on wages. One data series which has been collected both nationally and for states and metropolitan statistical areas for many years is average weekly earnings for production workers in the manufacturing sector. Between 1970 and 1980, average weekly earnings for manufacturing workers rose by an average of 11.7 percent per year nationally and 11.2 percent per year in Minnesota. Thus it appears that wages paid to workers in the manufacturing sector just managed to stay even with high rates of inflation. Many workers in the manufacturing sector were covered by union contracts with cost of living wage escalators which helped them to keep pace with price increases. From 1980 to 1985, average weekly earnings have increased by an average of 6.7 percent per year nationally and 7.0 percent in Minnesota thus exceeding

GRAPH 1



[1/] Please see articles in Second Quarter 1976, Second Quarter 1979, First Quarter 1982, and First Quarter 1984.

the inflation rate. However, in more recent years in the 1980-86 period, wages paid to manufacturing workers have grown much slower than average as companies have attempted to control costs in a very competitive business climate. In some basic industries, such as steel and rubber, workers have agreed to wage freezes or cuts to try to save jobs. Between June 1985 and June 1986, average weekly earnings for manufacturing workers were up only 2.1 percent nationally and 3.1 percent in the State2/.

The Bureau of Labor Statistics also computes an Employment Cost Index (ECI) quarterly. The ECI is a measure of the change in the price of labor, free from the influence of employment shifts among occupations and industries. This data series is available for all workers in the private sector beginning in the third quarter of 1975. The broken line on Graph 1 shows the trend in the ECI from the first quarter of 1978 through the second quarter of 1986. The graph shows that wage increases were falling far short of price increases through 1981. Since 1982, however, even though wages have not increased as much as they did in the earlier years, they have exceeded the rate of inflation. Consequently, since about 1982, real wages for workers in the private sector have been increasing. Real wages are wages measured by their purchasing power rather than their nominal wages. Real wages are calculated by dividing the nominal wages by the value of the CPI divided by 100. This calculation will allow one to express current wages in terms of constant 1967 dollars since the CPI uses 1967 as the base year.

Wage and Salary Changes Among Occupations in Minnesota

The previous section of the article has provided a general overview of trends in national prices and wages. This section draws on the results of the 1986 Minnesota Salary Survey to track changes in wages paid to individual occupations from 1983 to 1986 in the State. Table 1 on page 7 shows trends in the median monthly wages and percentage changes for selected occupations, as well as changes in the CPI-W for the Minneapolis-St. Paul MSA. As Graph 1 shows, wages and prices rose at a much slower rate between 1983 and 1986 than in earlier periods. The average median wage for the 25 occupations rose only half as fast between 1983 and 1986 as from 1981 to 1983. Between 1983 and 1986 the annual average percent change was 3.6 percent compared to 7.2 percent between 1981 and 1983. This 3.6 percent annual growth rate exceeded the increase in the CPI of 2.1 percent which translates into real wage gains during the period. The real average median survey wage in 1983 was $495.20 and in 1986 it was $515.20. However, over the 16-year span covered by Table 1, the annual average wage increase lagged behind the annual average price increase. The real average median survey wage in 1970 was $559.18 compared to the 1986 figure of $515.20.

During the period 1983 to 1986 the median wages for two occupations dropped and three registered very small increases. The two occupations which had lower median wages were Engineering Aide I and Civil Engineer II, while Cashier-Teller, Maintenance Electricians, and Welders had wage increases of 2.2 percent or less. The drop in wages for Engineering Aide I and Civil Engineer II is somewhat suspect because both of these occupations have displayed strong wage growth over previous time periods studied. The sample size in the Salary Survey for these occupations is rather small. In the case of the Engineering Aide category, wages were reported for 329 workers in 1986, while for Civil Engineer wages were reported for 350 employees. Median

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2/ Current Employment Statistics Program, U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 1 - MEDIAN MONTHLY WAGES AND PERCENTAGE INCREASES
IN MEDIAN MONTHLY WAGE RECEIVED BY SELECTED OCCUPATIONS
IN MINNESOTA- 1970, 1975, 1978, 1981, 1983, 1986

OCCUPATIONAL GROUP	MEDIAN MONTHLY WAGES						SURVEY PERIOD PERCENT CHANGE						ANNUAL AVERAGE PERCENT CHANGE					
	1970	1975	1978	1981	1983	1986	1970-75	1975-78	1978-81	1981-83	1983-86	1970-86	1970-75	1975-78	1978-81	1981-83	1983-86	1970-86
Accountant II	$ 905	$1,300	$1,522	$1,910	$2,175	$2,533	43.6%	17.1%	25.5%	13.9%	16.5%	179.9%	8.7%	5.7%	8.5%	7.0%	5.5%	11.2%
Carpenter, Maintenance	1,011	1,423	1,459	1,557	1,919	2,041	40.7	2.5	6.7	23.2	6.4	101.9	8.1	0.8	2.2	11.6	2.1	6.4
Cashier - Teller	381	468	585	719	850	867	22.8	25.0	22.9	18.2	2.0	127.6	4.6	8.3	7.6	9.1	0.7	8.0
Chemist	853	1,125	1,255	1,733	1,910	2,167	31.9	11.6	38.1	10.2	13.5	154.0	6.4	3.9	12.7	5.1	4.5	9.6
Clerk, Account	450	555	691	875	1,062	1,193	23.3	24.9	26.3	21.4	12.3	165.1	4.7	8.3	8.8	10.7	4.1	10.3
Clerk III	537	654	860	1,100	1,223	1,408	21.8	31.5	27.9	11.2	15.1	162.2	4.4	10.5	9.3	5.6	5.0	10.1
Drafter I	654	823	880	1,150	1,330	1,458	25.8	6.9	30.7	15.7	9.6	122.9	5.2	2.3	10.2	7.9	3.2	7.7
EDP Programmer I	1,030	1,308	1,461	1,778	2,042	2,525	27.0	11.7	21.7	14.9	23.7	145.1	5.4	3.9	7.2	7.5	7.9	9.1
Electrician, Maintenance	858	1,195	1,402	1,910	2,146	2,193	39.3	17.3	36.2	12.4	2.2	155.6	7.9	5.8	12.0	6.2	0.7	9.7
Electronics Technician	675	809	1,077	1,404	1,551	1,801	19.9	33.1	30.4	10.5	16.1	166.8	4.0	11.0	10.1	5.3	5.4	10.4
Engineering Aide I	641	832	1,031	1,278	1,570	1,537	29.8	23.9	24.0	22.9	-2.1	139.8	6.0	8.0	8.0	11.5	-0.7	8.7
Engineer, Civil II	1,126	1,530	1,875	2,470	2,937	2,898	35.9	22.6	31.7	18.9	-1.3	157.4	7.2	7.5	10.6	9.5	-0.4	9.8
Equipment Operator, Heavy	695	1,006	1,288	1,778	1,882	2,012	44.7	28.0	38.0	5.9	6.9	189.5	9.0	9.3	12.7	3.0	2.3	11.8
Guard	339	468	546	855	782	955	38.5	16.6	56.6	-8.5	22.1	181.7	7.7	5.5	18.9	-4.3	7.4	11.4
Janitor	485	690	840	1,040	1,190	1,280	42.3	21.7	23.8	14.4	7.6	163.9	8.5	7.2	7.9	7.2	2.5	10.2
Laborer	525	662	813	1,182	1,322	1,418	26.1	22.8	45.4	11.8	7.3	170.1	5.2	7.6	15.1	5.9	2.4	10.6
Machinist, Maintenance	761	1,084	1,300	1,647	1,919	2,080	42.4	19.9	26.7	16.5	8.4	173.3	8.5	6.6	8.9	8.3	2.8	10.8
Mechanic, Automotive	662	970	1,132	1,628	1,891	2,143	46.5	16.7	43.8	16.1	13.3	223.7	9.3	5.6	14.6	8.1	4.4	14.0
Medical Technologist	711	941	1,105	1,307	1,597	1,920	32.3	17.4	18.3	22.2	20.2	170.0	6.5	5.8	6.1	11.1	6.7	10.6
Nurse, Staff (registered)	696	871	1,065	1,375	1,557	1,890	25.1	22.3	29.1	13.2	21.4	171.6	5.0	7.4	9.7	6.6	7.1	10.7
Offset Press Operator	493	659	780	1,051	1,220	1,394	33.7	18.4	34.7	16.1	14.3	182.8	6.7	6.1	11.6	8.1	4.8	11.4
Sewing Machine Operator	350	499	596	726	711	855	42.6	19.4	21.8	-2.1	20.3	144.3	8.5	6.5	7.3	-1.1	6.8	9.0
Stenographer II	456	643	750	981	1,160	1,325	41.0	16.6	30.7	18.3	14.2	190.6	8.2	5.5	10.2	9.2	4.7	11.9
Typist II	409	555	720	910	1,075	1,229	35.7	29.7	26.4	18.1	14.3	200.5	7.1	9.9	8.8	9.1	4.8	12.5
Welder	607	854	1,100	1,479	1,661	1,667	40.7	28.8	34.5	12.3	0.4	174.6	8.2	9.6	11.5	6.2	0.1	10.9
Average Median Survey Wage	652	877	1,045	1,353	1,[illegible]47	1,712	34.5	19.2	29.5	14.1	10.2	162.6	6.9	6.4	9.8	7.2	3.4	10.2
CPI-W April Mpls.-St. Paul MSA	116.6	156.8	194.9	267.3	312.4	332.3	34.5	24.3	37.1	16.9	6.4	185.0	6.9	8.1	12.4	8.5	2.1	11.6

wages for a higher level of engineering aide showed a 13.8 percent increase between 1983 and 1986. Consequently, small sample size or differences in reporting between the two time periods may be responsible for the drop in reported wages. Many Civil Engineers and Engineering Aides are employed in the public sector. While many government units have experienced budget pressures over the past several years, small wage increases have still been negotiated.

Similarly, the low rate of increase in median wages for Cashiers and Tellers may be due to a shift in the makeup of the responding employers between 1983 and 1986. Establishments in the wholesale/retail trade and finance, insurance, and real estate industries were sampled. In 1983, responding employers from the trade industries represented approximately 58 percent of the total combined employment in the two industry divisions. In 1986, responding employers from trade represented approximately 65 percent of the total combined employment. The 1986 survey of Cashiers-Tellers contained more employees in the retail trade industry which generally pays slightly lower wages than the finance industry.

Small increases in median wages paid to Maintenance Electricians and Welders is far more explainable based on labor market conditions in the past three years. Both of these occupations are primarily found in cyclically sensitive industries such as mining, construction, and manufacturing. A combination of factors following the severe recession of 1981-82 has kept wage increases very low for many occupations in these industries. Although these jobs require skill, the general availability of workers who had been displaced during the recession has created a lot of competition for available jobs. While some manufacturing industries have recovered, others have not, and demand for workers remains weak. Competition from foreign countries and other regions of the U.S. has forced companies to control production costs to try to stay competitive.

On the positive side, 19 of the 25 occupations surveyed had median wages increasing faster than the CPI between 1983 and 1985. The highest increase occurred for EDP Programmer II (7.9%), Guards (7.4%), and Registered Nurses in private clinics (7.1%). For the Programmer and Registered Nurse, the 1983-86 increase was consistent with wage increases since 1978. However, the pay increase for Guards was a surprising reversal of the 1981-83 decrease. Results from the Salary Survey for this occupation can obviously vary greatly depending on which firms report in a given year. In general, Table 1 shows that wage increases were higher from 1983 to 1986 for technical, professional, and clerical jobs than for any production related jobs in mining, construction, or manufacturing, regardless of the skill level required. Jobs such as Maintenance Carpenters and Electricians, Heavy Equipment Operators, Laborers, and Welders all experienced sharply lower wage increases between 1983 and 1986 than during the previous reported periods.

Table II on page 9 shows indexes of median wages for a representative sample of occupations. The indexes were computed using the median wage of Laborer as the base. The table also includes the percentage increase or decrease in the index points for each period. From the table it is evident that the traditionally lower paid jobs, such as Cashier-Teller, Typist, and Sewing Machine Operator, remain on the bottom of the wage scale in relationship to this list of occupations. The high end of the list continues to be dominated by professional jobs or skilled craft occupations which traditionally have been covered by strong and stable collective bargaining agreements. The stability of these agreements have tended to keep the wage level high,

TABLE II - INDEXES OF MEDIAN WAGES FOR SELECTED OCCUPATIONS IN MINNESOTA: 1970, 1975, 1978, 1981, 1983, 1986 (Laborer=100)

OCCUPATIONAL GROUP	INDEXES OF MEDIAN WAGES						PERCENT INCREASE OR DECREASE IN INDEX POINT					
	1970	1975	1978	1981	1983	1986	1970-75	1978-81	1981-83	1981-83	1983-86	1970-86
Accountant II	172.4	196.4	187.2	161.6	164.5	178.6	13.9%	-4.7%	-13.7%	1.8%	14.1%	6.2%
Chemist	162.5	170.0	154.4	146.6	144.5	152.8	4.6	-9.2	-5.0	-1.4	8.3	-9.7
EDP Programmer II	196.2	197.6	179.7	150.4	154.5	178.1	0.7	-9.1	-16.3	2.7	23.6	-18.1
Engineer, Civil II	214.5	231.1	230.6	209.0	222.2	204.4	7.7	-0.2	-9.4	6.3	-17.8	-10.1
Cashier - Teller	72.6	70.7	72.0	60.8	64.3	61.1	-2.6	1.8	-15.6	5.8	-3.2	-11.5
Clerk III	102.3	98.8	105.8	93.1	92.5	99.3	-3.4	7.1	-12.0	-0.6	6.8	-3.0
Stenographer II	86.9	97.1	92.2	82.9	87.8	93.4	11.7	-5.1	-10.1	5.9	5.6	6.5
Typist II	77.9	83.8	88.6	77.0	81.3	86.7	7.6	5.7	-13.1	5.6	5.4	8.8
Carpenter, Maintenance	192.6	215.0	179.5	131.7	145.2	143.9	11.6	-16.5	-26.6	10.3	-1.3	-48.7
Electrician, Maintenance	163.4	180.5	172.4	161.6	162.3	154.7	10.5	-4.5	-6.3	0.4	-7.6	-8.7
Machinist, Maintenance	145.0	163.7	160.0	139.3	145.2	146.7	12.9	-2.3	-12.9	4.2	1.5	1.7
Welder	115.6	129.0	135.3	125.1	125.6	117.6	11.6	4.9	-7.5	0.4	-8.0	2.0
Drafter I	124.6	124.3	108.2	97.2	100.6	102.8	-0.2	-13.0	-10.2	3.5	2.2	-21.8
Engineering Aide I	122.1	125.7	126.8	108.1	118.8	108.4	2.9	0.9	-14.7	10.0	-10.4	-13.7
Sewing Machine Operator	66.7	75.4	73.3	61.4	53.8	60.3	13.0	-2.8	-16.2	-12.4	6.5	-6.4
Laborer	100.0	100.0	100.0	100.0	100.0	100.0	---	---	---	---	---	---

TABLE III - VARIATION IN OCCUPATIONAL WAGE RATES BETWEEN GEOGRAPHIC AREAS IN MINNESOTA EXPRESSED AS A PERCENT OF THE STATEWIDE MEDIAN WAGE FOR THE INDIVIDUAL OCCUPATION: 1970, 1975, 1978, 1981, 1983 AND 1986

OCCUPATION	1970					1975					1978					1981						1983						1986					
	NE	NW	SE	SW	METRO	NE	NW	SE	SW	METRO	NE	NW	SE	SW	METRO	NE	NW	SE	SW	CENT.	METRO	NE	NW	SE	SW	CENT.	METRO	NE	NW	SE	SW	CENT.	METRO
Professional	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Accountant II	94	89	94	77	103	92	87	89	77	103	103	88	96	79	102	109	85	102	86	81	107	104	97	91	91	90	102	105	84-	94	76	87	106
EDP Programmer II	83	75	95	NA	100	94	NA	80	NA	102	102	86	89	NA	101	102	87	97	94	79	101	102	111	85	79	73	101	92	82	75	79	84	102
Engineer, Civil II	103	NA	92	101	99	106	NA	98	NA	98	99	NA	102	NA	100	100	106	101	98	NA	100	106	NA	NA	80	NA	100	100	105	NA	99	109	100
Clerical																																	
Clerk III	114	101	123	82	97	107	82	87	94	103	109	85	88	85	104	100	94	89	86	95	102	109	93	90	92	85	102	109	90	88	86	95	104
Stenographer II	105	93	86	90	101	94	78	84	80	102	106	88	88	88	103	103	94	93	85	87	102	106	87	89	82	86	102	105	88	96	83	95	102
Typist II	98	80	86	82	102	96	86	95	81	105	105	84	85	82	105	105	94	95	86	93	104	108	86	91	87	99	105	109	85	96	97	88	106
Craft																																	
Carpenter, Maintenance	82	76	93	91	118	68	57	63	49	106	83	64	78	71	109	106	88	90	89	88	103	106	91	89	85	90	104	95	101	86	NA	71	114
Electrician, Maintenance	96	97	104	92	117	86	84	78	76	116	100	97	80	97	125	100	89	80	77	76	108	96	89	76	75	87	114	98	93	78	77	83	121
Machinist, Maintenance	93	72	92	61	104	95	76	74	67	104	100	91	79	61	103	116	79	74	80	103	101	107	72	80	78	91	104	109	107	76	81	73	105
Mechanic, Automotive	103	108	85	88	99	102	105	79	70	98	120	95	91	70	101	115	105	80	78	75	100	106	105	78	90	86	98	99	97	79	78	57	114
Technical																																	
Drafter I	102	99	84	97	102	105	102	93	85	103	107	90	88	92	102	99	81	95	82	91	103	100	87	91	82	99	102	107	90	97	90	93	101
Engineering Aide I	104	76	92	100	102	107	89	88	88	102	103	90	88	92	102	103	95	95	92	96	102	102	88	99	89	99	105	99	98	94	88	111	104
Laborer																																	
Janitor	102	93	92	91	105	105	86	93	87	106	109	91	94	89	105	110	88	95	88	98	104	118	99	98	94	104	99	125	97	106	89	107	91
Laborer	91	66	103	66	115	113	84	85	71	121	122	88	99	82	115	109	73	88	72	79	106	116	83	95	75	92	119	126	103	104	82	72	125

even in the face of slack demand for the particular skills.

As was mentioned in the previous section, median wages increased more rapidly for professional, technical, and clerical jobs than for jobs of any skill level in manufacturing, mining, or construction. This is reflected in Table II by increases in index points for occupations such as Accountant II and a decrease in index points for Welders. In this respect, the 1983-86 trend differs significantly from previous periods studied. The index figures increased for most occupations in the 1970-75 and 1981-83 periods. In the period from 1975 to 1981 there was a compression in the structure of wages as evidenced by significant decreases in most occupations and particularly in the high index value occupations. In the First Quarter 1984 Review article which was written about the 1981-83 period, there was some speculation that the wage structure tends to maintain a stable long-run relationship. The evidence for this was that high index levels of 1975 and 1978 were compressed in 1981 and were stabilizing in 1983. The changes in index figures from 1983-86 seem to correspond to labor market conditions for the occupations rather than to a long-term trend.

Regional Wage Variations in Minnesota

Table III on page 9 displays variations in occupational wage rates between geographic areas in Minnesota. There has been little change in the geographic variation of wages for these selected occupations over the years. The Twin Cities metropolitan region (Metro) continues to exhibit median wages consistently above the statewide rate, with the exception of Janitor. The northeast region (NE) continues to display high wage levels relative to the rest of the State in spite of the serious economic changes which have occurred in that region since 1983. As was mentioned in the First Quarter 1984 Review article, the northeast region is dominated by large firms which have strong collective bargaining agreements with labor. While wage rates for these firms may have remained stable over this period, they are still high compared to other regions of the State. Secondly, layoffs which have taken place would have affected those with less seniority first. The higher paid workers with greater seniority remain on the job and keep the median wages high[3].

The other four geographic areas of the State had fluctuations within the selected occupations but remain in approximately the same relationship with the other regions. The northwest, central, southeast, and southwest regions are generally characterized as having a strong agricultural base and low levels of unionization which combine to keep wage levels at a lower rate. Compared to the 1981-83 period, the southeastern region had the most occupations (nine) increase their percentage of the State median wage. The southwestern region had the fewest occupations (six) increase their percentage of the State median wage.

Summary

The purpose of this article was to update a series of articles examining wage and salary trends in Minnesota as reflected by data from the Minnesota Salary Survey. We have seen that between 1983 and 1986 most occupations received wage increases which were significantly lower than in 1981-83.

Continued on page 26 FEATURE ARTICLE

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[3] While wage levels for selected occupations reported by a sample of firms in northeastern Minnesota have remained relatively high, structural changes in the economy of that region have resulted in a significant drop in the average weekly wage of the area. In 1978 the average weekly wage of workers covered by the Minnesota Unemployment Insurance Law in northeastern Minnesota was 102.2 percent of the State average weekly wage. In 1985 it had dropped to 89 percent of the State. On the other hand, the average weekly wage for covered employment in the Minneapolis-St. Paul metropolitan region increased slightly from 109.3 percent of the State average in 1978 to 110.5 percent in 1985.

Brief Analysis Of Economic Conditions

THE NATIONAL AND STATE ECONOMIES IN THE SECOND QUARTER

By Ben Boyle

Nation

According to the second revision of real gross national product (GNP) and most other indicators of economic activity, the Nation's economy grew very slowly in the second quarter and into July. However, revised GNP data showed that growth in the first quarter was stronger than initially reported.

The labor market situation was generally weaker in the second quarter as unemployment rose and nonfarm payroll employment climbed much more slowly than in the first quarter. Although some of the slower growth in the second quarter was due to labor disputes in communications and some manufacturing industries, there was considerable weakness in oil and gas extraction and in a number of manufacturing industries, especially transportation equipment, nonelectrical machinery and apparel. Between December and June, employment in oil and gas extraction fell by 112,000 and manufacturing employment declined by 144,000. During this same period, employment in the services-producing industries rose by a little over one million. Also, employment in construction increased by 152,000 between December and June. The employment picture was somewhat brighter in July as the unemployment rate dropped 0.2 of a point to 6.9 percent and the decline in oil and gas employment and some manufacturing industries slowed considerably while employment in construction and a number of the services-producing industries rose strongly.

Other economic reports for the second quarter and July indicated that the economy was still rather sluggish. Retail sales were about the same level in July as in May while industrial production and housing starts fell for the third consecutive month in July. Also, income and spending have been rising rather slowly in recent months.

State

In terms of unemployment, the Minnesota economy improved considerably in the second quarter. On the other hand, the growth of both total and nonfarm wage and salary employment slowed from the first quarter.

The State's seasonally adjusted unemployment rate continued to drop throughout the second quarter, declining from 6.1 percent in March to 5.2 percent in June and averaging 5.5 percent in the second quarter after an average of 6.3 percent in the first quarter. In July the rate edged up to 5.3 percent. However, employment also either declined or slowed in the second quarter as seasonally adjusted total employment fell by 10,500 in the second quarter after a rise of 27,500 in the first quarter and seasonally adjusted nonfarm payroll employment rose 5,100 in the second quarter following a gain of 10,000 in the first quarter. Although some of the slowing in the growth of payroll employment was due to the communications strike, much of the deceleration was the result of more widespread declines in durable goods manufacturing employment and significant slowdowns in construction and trade. In July the growth of payroll employment accelerated considerably as employment in durable goods manufacturing rose for the first time since January and the striking workers returned to work. The July gain of 5,800 in seasonally adjusted nonfarm payroll employment followed a rise of 2,900 in June. Over-the-year, nonfarm payroll employment rose by nearly 31,000. The largest over-the-year gains were in business and health services, local education, special trades construction and printing and publishing. The biggest over-the-year declines were in computer and electrical machinery manufacturing and in the communications portion of public utilities.

Analysis of Local Conditions

MINNEAPOLIS-ST. PAUL MSA

By Bruce Steuernagel

There was very little change in Twin Cities area labor market conditions in July. Employment continues to grow at a slow pace, while the unemployment rate was unchanged at 4.1 percent for the third consecutive month.

The July nonagricultural wage and salary data on the opposite page reflect the seasonal downturn in public and private educational services. Manufacturing firms continued to trim their work forces in July. The cutbacks were widespread but generally small. The employment level in the manufacturing sector has remained about constant since April following a sharper drop in the previous three quarters.

Retail trade payrolls were down slightly (unchanged on a seasonally-adjusted basis). This is another industry sector which is struggling somewhat at the present time. Total retail sales volume in the Twin Cities area in 1986 is only slightly higher than year ago levels.

The strongest job growth in the Twin Cities area continues to occur in the finance, insurance, and real estate industry and in the services industry. In the services sector, the greatest growth from a year ago has occurred in the personal services, recreation and entertainment (+14.5 percent), and legal services industries. Two service industry groups which have in the past grown rapidly, business and health services, are now increasing at a much slower pace.

The Twin Cities unemployment rate remained at 4.1 percent for the third consecutive month. This compares to a jobless rate of 4.6 percent a year ago. It is the lowest July rate since 1981 when the unemployment rate was also 4.1 percent. While the number of employed declined at about the average rate due to seasonal factors, the number of unemployed did not decrease as much as usual, dropping only 2.0 percent from June compared to its average decrease of 6.0 percent.

The smaller than usual decrease in the number of unemployed corresponds to a smaller than average increase in the number of unemployed teenagers entering the labor force between May and June.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	July 1986	June 1996	July 1985	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985
Minneapolis-St. Paul MSA*	**1,321,567**	**1,339,601**	**1,304,900**	**54,280**	**55,293**	**59,740**	**4.1**	**4.1**	**4.6**
REGION 11	**1,227,650**	**1,244,700**	**1,212,070**	**50,512**	**51,470**	**55,624**	**4.1**	**4.1**	**4.6**
Anoka	125,522	127,327	123,449	5,662	5,829	5,696	4.5	4.6	4.6
Carver	23,102	23,437	22,858	782	812	930	3.4	3.5	4.1
Dakota	126,267	127,942	125,155	4,910	4,926	5,932	3.9	3.9	4.7
Hennepin	575,177	582,956	567,933	24,142	24,389	26,585	4.2	4.2	4.7
Ramsey	277,425	281,419	273,556	11,590	11,950	12,394	4.2	4.2	4.5
Scott	27,913	28,292	27,851	1,132	1,144	1,540	4.1	4.0	5.5
Washington	72,244	73,327	71,268	2,294	2,420	2,547	3.2	3.3	3.6
Chisago*	16,401	16,654	16,134	731	770	740	4.5	4.6	4.6
Isanti*	14,668	14,906	14,671	562	608	813	3.8	4.1	5.5
Wright*	36,685	37,176	36,133	1,471	1,480	1,538	4.0	4.0	4.3
St. Croix, WI	26,163	26,165	25,892	1,004	965	1,025	3.8	3.7	4.0
Bloomington	**50,080**	**50,789**	**49,918**	**2,277**	**2,333**	**2,956**	**4.5**	**4.6**	**5.9**
Minneapolis	**213,511**	**216,444**	**210,736**	**9,897**	**10,047**	**10,702**	**4.6**	**4.6**	**5.1**
St. Paul	**158,583**	**160,667**	**156,605**	**7,491**	**7,510**	**8,169**	**4.7**	**4.7**	**5.2**

* Chisago, Isanti and Wright counties are a part of the Minneapolis/St. Paul MSA. Chisago and Isanti counties are in Region 7E and Wright county is in Region 7W.

Analysis of Local Conditions

MPLS-ST. PAUL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	July 1986	June 1986	July 1985	June 1986	July 1985	July 1986	July 1985	July 1986	July 1985	July 1986	July 1985
Total Nonagricultural	1,238.3	1,247.8	1,215.1	-0.8	1.9	-	-	-	-	-	-
Manufacturing	252.9	253.3	257.3	-0.2	-1.7	439.67	438.07	10.91	10.78	40.3	40.5
Durable Goods	159.1	159.7	162.9	-0.4	-1.3	445.94	449.03	10.85	10.81	41.1	41.5
Lumber and Furniture	8.9	8.8	7.9	1.0	12.3	433.47	486.57	10.37	11.81	41.8	41.2
Stone, Clay and Glass	2.9	3.0	3.1	-0.7	-4.8	537.95	445.56	12.31	10.28	43.7	43.3
Primary Metals	4.6	4.8	4.8	-3.9	-4.3	340.96	370.72	8.61	9.02	39.6	41.1
Fabricated Metals	29.8	30.0	28.4	-0.5	5.2	491.15	486.38	11.95	11.71	41.1	41.5
Nonelectrical Machinery	63.3	63.6	68.8	-0.4	-7.9	470.72	482.29	11.37	11.19	41.4	43.0
Office and Computing	32.3	32.5	37.0	-0.8	-12.6	512.74	528.84	11.98	11.70	42.8	45.2
Electrical Machinery	15.8	15.8	16.9	-0.2	-6.8	323.85	314.83	8.50	8.21	38.1	38.2
Transportation Equipment	4.5	4.6	4.3	-1.1	4.4	564.98	531.72	13.98	12.66	41.0	42.0
Scientific Instruments	25.3	25.3	24.8	0.1	1.8	406.89	407.72	9.90	10.26	41.1	39.7
Miscellaneous Manufacturing	3.9	3.9	3.9	0.8	1.1	417.22	381.27	9.07	10.06	46.0	37.8
Nondurable Goods	93.8	93.6	94.4	0.1	-0.7	430.10	418.47	11.00	10.72	39.1	38.9
Food and Kindred	18.8	18.5	18.2	1.2	2.9	426.42	421.63	10.30	9.76	41.4	43.1
Textiles and Apparel	1.4	1.6	2.1	-11.4	-34.0	232.37	246.40	6.02	6.39	38.6	38.4
Paper and Allied	25.4	25.5	26.1	0.0	-2.5	470.35	461.45	11.50	11.31	40.9	40.7
Printing and Publishing	30.9	30.5	30.7	1.1	0.6	400.01	409.01	11.05	11.33	36.2	36.0
Chemicals and Petroleum	8.9	8.9	8.6	-0.5	3.1	532.03	461.01	13.04	12.09	40.8	38.0
Rubber, Plastic and Leather	8.4	8.6	8.6	-2.3	-2.7	390.25	345.75	10.11	9.22	38.6	37.4
Nonmanufacturing	983.7	992.6	957.7	-0.9	2.7	-	-	-	-	-	-
Mining	-	-	-	-	-	-	-	-	-	-	-
Metal Mining	-	-	-	-	-	-	-	-	-	-	-
Construction	52.6	50.9	51.6	3.4	2.0	607.24	631.80	16.15	16.19	37.6	38.9
Transport., Comm., & Pub. Util.	68.3	68.2	67.7	0.1	0.8	-	-	-	-	-	-
Transportation	47.1	48.0	45.4	-1.8	3.7	-	-	-	-	-	-
Trucking and Warehousing	16.7	16.7	16.4	0.4	2.3	366.99	363.03	13.06	12.39	28.1	29.3
Communication and Public Util.	21.1	20.2	22.3	4.6	-5.3	524.26	454.21	13.76	12.40	38.1	36.6
Trade	304.6	305.1	299.2	-0.2	1.8	267.76	247.94	8.42	8.21	31.8	30.2
Wholesale	80.4	79.6	78.6	1.0	2.3	448.44	408.00	11.10	10.57	40.4	38.6
Retail	224.2	225.5	220.6	-0.6	1.6	213.16	198.44	7.30	7.18	29.2	27.6
Building Materials	10.1	10.0	10.0	0.4	0.8	374.62	334.58	9.46	8.97	39.6	37.3
General Merchandise	35.9	36.2	35.4	-0.9	1.5	206.19	196.90	6.85	6.72	30.1	29.2
Food Stores	27.6	27.2	26.4	1.7	4.4	279.37	253.98	8.29	8.41	33.7	30.2
Automotive	23.6	23.5	22.9	0.2	3.1	432.00	384.43	10.80	10.17	40.0	37.8
Apparel	11.5	11.6	11.3	-1.3	1.3	105.15	105.92	5.42	5.01	19.4	21.1
Home Furnishings	10.8	10.7	9.7	0.8	11.5	199.52	256.35	6.88	8.18	29.0	31.3
Eating and Drinking	75.6	76.9	75.8	-1.7	-0.3	114.40	97.39	4.91	4.66	23.3	20.9
Fin., Insur., Real Est.	90.7	89.8	86.2	1.0	5.2	330.96	310.60	8.40	8.58	39.4	36.1
Finance	38.3	38.0	36.4	0.6	5.2	360.53	318.69	8.88	8.58	40.6	37.1
Insurance	35.9	35.4	34.4	1.3	4.3	332.90	364.45	8.24	9.18	40.4	39.6
Real Estate	16.6	16.4	15.5	1.3	7.2	213.59	189.61	6.89	6.87	31.0	27.5
Services	309.6	308.9	299.4	0.2	3.4						
Personal Services	16.4	16.2	14.8	1.6	11.2						
Business Services	71.2	70.2	69.6	1.5	2.4						
Repair Services	14.4	14.6	14.2	-1.3	1.9						
Health Services	79.9	79.8	79.4	0.1	0.6						
Hospitals	29.4	29.4	29.7	-0.2	-1.2						
Nursing Homes	21.9	21.8	21.7	0.2	0.8						
Legal Services	10.5	10.3	9.8	1.9	6.6						
Private Education	14.8	15.6	14.7	-4.8	1.1						
Government	157.9	169.6	153.5	-6.9	2.8						
Federal	19.8	19.7	18.9	0.6	4.7						
State	45.2	50.2	44.9	-9.9	0.7						
Education	21.8	27.1	21.5	-19.6	1.5						
Local	92.9	99.7	89.7	-6.9	3.5						
Education	42.7	51.0	41.2	-16.2	3.6						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Analysis of Local Conditions

CENTRAL AND NORTHWEST MINNESOTA

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985
St. Cloud MSA	**88,096**	**89,199**	**85,714**	**4,508**	**4,665**	**5,498**	**5.1**	**5.2**	**6.4**
REGION 1	**43,051**	**43,161**	**44,414**	**3,407**	**3,445**	**3,959**	**7.9**	**8.0**	**8.9**
Kittson	2,847	2,864	3,148	226	237	342	7.9	8.3	10.9
Marshall	5,640	5,653	5,972	673	658	706	11.9	11.6	11.8
Norman	3,862	3,875	4,248	241	231	290	6.2	6.0	6.8
Pennington	6,497	6,467	6,353	451	463	470	6.9	7.2	7.4
Polk	14,873	15,090	15,422	1,226	1,255	1,437	8.2	8.3	9.3
Red Lake	2,036	2,057	2,125	290	284	321	14.2	13.8	15.1
Roseau	7,296	7,155	7,146	300	317	393	4.1	4.4	5.5
REGION 2	**30,100**	**30,376**	**31,639**	**2,305**	**2,466**	**2,638**	**7.7**	**8.1**	**8.3**
Beltrami	15,722	15,931	16,338	1,052	1,119	1,166	6.7	7.0	7.1
Clearwater	3,553	3,625	3,771	461	507	486	13.0	14.0	12.9
Hubbard	6,520	6,535	6,731	438	479	609	6.7	7.3	9.0
Lake of Woods	2,065	2,038	2,326	125	125	128	6.1	6.1	5.5
Mahnomen	2,240	2,247	2,473	229	236	249	10.2	10.5	10.1
REGION 4	**100,568**	**101,909**	**102,117**	**5,170**	**5,712**	**5,861**	**5.1**	**5.6**	**5.7**
Becker	13,251	13,475	13,210	913	1,049	1,066	6.9	7.8	8.1
Clay	26,597	26,909	26,308	1,172	1,242	1,177	4.4	4.6	4.5
Douglas	14,578	14,635	14,804	657	703	767	4.5	4.8	5.2
Grant	3,327	3,346	3,688	178	198	183	5.4	5.9	5.0
Otter Tail	25,623	26,038	26,241	1,455	1,700	1,768	5.7	6.5	6.7
Pope	5,289	5,249	5,553	307	303	304	5.8	5.8	5.5
Stevens	5,659	5,876	5,635	202	210	212	3.6	3.6	3.8
Traverse	2,576	2,620	2,776	112	111	113	4.3	4.2	4.1
Wilkin	3,668	3,761	3,902	174	196	271	4.7	5.2	6.9
REGION 5	**59,814**	**59,867**	**62,367**	**3,975**	**4,142**	**4,657**	**6.6**	**6.9**	**7.5**
Cass	9,619	9,634	10,479	784	835	863	8.2	8.7	8.2
Crow Wing	21,017	21,158	21,611	1,198	1,264	1,447	5.7	6.0	6.7
Morrison	13,524	13,654	14,060	914	964	1,190	6.8	7.1	8.5
Todd	10,645	10,573	11,001	722	705	772	6.8	6.7	7.0
Wadena	5,009	4,848	5,216	357	374	385	7.1	7.7	7.4
REGION 6E	**54,957**	**55,426**	**56,862**	**3,257**	**3,306**	**3,916**	**5.9**	**6.0**	**6.9**
Kandiyohi	18,090	18,149	18,591	882	917	941	4.9	5.1	5.1
McLeod	17,230	17,176	16,808	759	794	860	4.4	4.6	5.1
Meeker	9,626	10,064	10,168	862	870	1,060	9.0	8.6	10.4
Renville	10,011	10,037	11,295	754	725	1,055	7.5	7.2	9.5
REGION 7E	**54,780**	**55,635**	**55,415**	**2,937**	**3,111**	**3,519**	**5.4**	**5.6**	**6.4**
Chisago	16,401	16,654	16,134	731	770	740	4.5	4.6	4.6
Isanti	14,668	14,906	14,671	562	608	813	3.8	4.2	5.5
Kanabec	5,829	5,969	6,194	388	405	545	6.7	6.8	8.8
Mille Lacs	8,740	8,770	9,067	534	562	692	6.1	6.4	7.6
Pine	9,142	9,336	9,349	722	766	729	7.9	8.2	7.8
REGION 7W	**124,781**	**126,375**	**121,847**	**5,979**	**6,145**	**7,036**	**4.8**	**4.9**	**5.8**
Benton	13,602	13,795	13,257	711	758	886	5.2	5.5	6.7
Sherburne	16,982	17,212	16,441	1,033	1,082	1,135	6.1	6.3	6.9
Stearns	57,512	58,192	56,016	2,764	2,825	3,477	4.8	4.9	6.2
Wright	36,685	37,176	36,133	1,471	1,480	1,538	4.0	4.0	4.3

1/ Benton, Stearns, and Sherburne Counties

ST. CLOUD MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	July 1986	June 1986	July 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	**63,588**	**64,229**	**61,442**	**-1.0**	**3.5**
Total Manufacturing	**11,528**	**11,417**	**10,944**	**1.0**	**5.3**
Durable Goods	6,383	6,230	6,383	2.5	0.0
Nondurable Goods	5,145	5,187	4,561	-0.8	12.8
Total Nonmanufacturing	**52,060**	**52,812**	**50,498**	**-1.4**	**3.1**
Construction	3,122	2,929	3,388	6.6	-7.9
Transp., Comm. & Pub. Util.	3,838	3,838	3,528	0.0	8.8
Wholesale Trade	3,211	3,292	3,123	-2.5	2.8
Retail Trade	16,520	16,669	15,257	-0.9	8.3
Finance, Insur. & Real Estate	2,290	2,266	2,209	1.1	3.7
Service & Miscellaneous	12,709	12,911	12,675	-1.6	0.3
Government	10,370	10,907	10,318	-4.9	0.5

The St. Cloud Area

By Ron Daws

ST. CLOUD MSA ADDS JOBS OVER THE YEAR WHILE CENTRAL MINNESOTA LOSES

* While nearly every other county in Central Minnesota lost employment over the year (July-July), the St. Cloud MSA gained jobs. During July 1986, there were 83,588 jobs in the St. Cloud MSA compared with 80,216 during July 1985 - a 4.2 percent increase.

* Although July's employment dropped by 946 from June's record high, unemployment also dropped by 157 to slightly lower the unemployment rate from 5.2 percent in June to 5.1 in July. This was also the trend in most other Central Minnesota counties.

* July's unemployment rate was the lowest for that month since pre-recessionary 1979 when 4.8 percent of the labor force was jobless. July's 5.1 percent unemployment rate was the lowest of any month since October 1979.

* The nonagricultural wage and salary industries that recorded large percentage job gains over the year were durable goods at 12.8 percent (584 jobs), transportation, communications & public utilities at 8.8 percent (310 jobs), and retail trade at 8.3 percent (1263 jobs).

* The largest numerical industry gainer was retail trade.

* Construction, although gaining 193 jobs (6.6 percent) over the month, still employed 266 (or 7.9 percent) fewer workers than during July 1985.

Analysis of Local Conditions

NORTHEAST MINNESOTA

By Mike Casey

Of the thirteen economic development regions throughout Minnesota eleven regions recorded declines in their rates of unemployment from June to July, one remained unchanged, and one recorded an increase. Unfortunately for labor force participants among the residents of Region 3, it was the seven-county area of northeastern Minnesota that recorded the increase.

Labor force developments during July combined a slight contraction in the number of employment opportunities available with an increase in the number of jobseekers throughout the region. After five months of expanding job opportunities the employment level fell by about 350 positions, a decline of only 0.3 percent. In contrast to this year's June-to-July change, both 1985 and 1984 experienced more significant job losses for the comparable period. With the estimated number of jobless increasing by more than 1,000 over the month, some 12,000 residents were out of work in July. Overall, the rate of unemployment jumped to 8.9 percent in July, compared to 8.2 percent one month earlier.

As mentioned in last month's analysis the initial impact of the recent closings of some mines and mining-related operations will not be measurable until the August employment levels are available in late September. At that time it is expected that the unemployment rate will record another significant increase in northeastern Minnesota.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985
REGION 3	135,139	134,452	134,981	12,059	11,020	14,063	8.9	8.2	10.4
Aitkin	5,350	5,293	5,869	482	530	596	9.0	10.0	10.2
Carlton	11,167	11,327	11,409	1,013	1,031	946	9.1	9.1	8.3
Cook	2,669	2,612	2,886	139	144	176	5.2	5.5	6.1
Itasca	17,003	17,357	17,016	1,718	1,766	1,846	10.1	10.2	10.8
Koochiching	7,615	7,901	8,279	568	650	813	7.5	8.2	9.8
Lake	4,045	4,184	4,276	403	422	486	10.0	10.1	11.4
St. Louis	87,290	85,778	85,246	7,736	6,477	9,200	8.9	7.6	10.8
City of Duluth	34,250	34,593	33,143	1,784	2,230	2,108	5.2	6.4	6.4
Balance St. Louis	53,040	51,185	52,103	5,952	4,247	7,092	11.2	8.3	13.6

DULUTH AND DULUTH-SUPERIOR MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	July 1986	June 1986	July 1985	Mo. Ago	Yr. Ago	July 1986	June 1986	July 1985	Mo. Ago	Yr. Ago
Total Nonagricultural Wage & Salary	42,490	42,140	41,190	0.8	3.2	86,300	85,860	84,230	0.5	2.5
Total Manufacturing	3,660	3,630	3,790	0.7	-3.7	6,910	6,910	7,160	0.0	-3.4
Durable Goods	1,690	1,680	1,820	0.8	-7.0	3,830	3,820	4,110	0.4	-7.0
Nondurable Goods	1,960	1,950	1,970	0.6	-0.6	3,080	3,100	3,040	-0.5	1.5
Total Nonmanufacturing	38,840	38,510	37,390	0.8	3.9	79,390	78,940	77,080	0.6	3.0
Construction	1,490	1,340	1,270	11.6	17.4	3,560	3,310	3,110	7.5	14.4
Trans., Comm., Pub. Util.	3,150	2,890	3,060	9.3	3.0	6,070	5,780	6,220	4.9	-2.4
Wholesale Trade	1,800	1,800	1,800	0.0	0.0	3,710	3,720	3,690	-0.3	0.5
Retail Trade	9,090	9,120	9,050	-0.4	0.4	18,210	18,340	18,500	-0.7	-1.6
Finan., Insur., & Real Est.	1,820	1,810	1,770	0.6	2.8	3,170	3,140	3,040	0.9	4.2
Services, Mining, & Miscel.	11,530	11,620	11,440	-0.8	0.8	25,240	25,150	24,300	0.4	3.9
Government	9,960	9,940	9,010	0.3	10.6	19,430	19,500	18,200	-0.4	6.7

Analysis of Local Conditions

SOUTHERN MINNESOTA

By Mike Casey

At first glance recent labor force developments provided mixed signals on the regional economy during July. On the negative side, a contraction of jobs occurred in 27 of the 34 counties in southern Minnesota. On the positive side, declines were recorded in the number of jobseekers in thirty counties. Overall, the rate of unemployment fell to five percent, down from the previous month's level of 5.3 percent and down even further from the previous two years when 5.7 percent of the labor force was out of work.

While the employment declines may be cause for concern, it should be noted that employment declines are particularly strong in July. During the past two years employment losses have averaged some 4,500 fewer jobs over the month. This year nearly 3,800 jobs were "lost". Since many of the reductions occurred in the education related areas in state and local government, these losses were primarily a seasonal development, rather than an economic one. Most of the July reductions are expected to reappear in September as "new" jobs.

Employment levels are expected to edge upward slightly in August, before beginning a downward cycle which would last until February, as it has in recent years. The number of jobseekers should also decline over the next two or three months, then begin its upward movement to a peak in January or February.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985
REGION 6W	26,871	27,127	28,749	1,510	1,584	1,721	5.6	5.8	6.0
Big Stone	3,530	3,593	3,792	171	180	203	4.8	5.0	5.4
Chippewa	6,773	6,725	7,286	403	400	459	6.0	5.9	6.3
Lac Qui Parle	4,803	4,816	5,006	231	233	232	4.8	4.8	4.6
Swift	5,421	5,584	5,945	405	459	464	7.5	8.2	7.8
Yellow Medicine	6,344	6,407	6,720	300	312	363	4.7	4.9	5.4
REGION 8	66,089	66,978	71,222	3,209	3,474	4,607	4.9	5.2	6.5
Cottonwood	6,349	6,445	6,980	336	413	673	5.3	6.4	[illegible]
Jackson	6,867	6,926	7,268	558	589	426	8.1	8.5	5.9
Lincoln	3,800	3,805	4,012	177	204	192	4.7	5.4	4.8
Lyon	13,513	13,736	13,577	566	636	654	4.2	4.6	4.8
Murray	5,201	5,250	5,667	250	268	332	4.8	5.1	5.9
Nobles	10,848	11,093	11,715	530	519	690	4.9	4.7	5.9
Pipestone	5,778	5,831	6,074	210	227	253	3.6	3.9	4.2
Redwood	8,705	8,941	10,795	400	437	1,195	4.6	4.9	11.1
Rock	5,028	4,951	5,134	180	181	192	3.6	3.7	3.7
REGION 9	115,304	116,599	117,497	5,736	6,242	6,474	5.0	5.4	5.5
Blue Earth	27,503	27,996	27,596	1,007	1,071	1,330	3.7	3.8	4.8
Brown	14,405	14,369	14,562	626	657	740	4.3	4.6	5.1
Faribault	9,981	10,087	9,989	556	649	562	5.6	6.4	5.6
Le Sueur	12,111	12,153	12,440	785	870	842	6.5	7.2	6.8
Martin	13,233	13,460	13,672	956	1,042	1,003	7.2	7.7	7.3
Nicollet	14,679	15,019	14,615	593	704	651	4.0	4.7	4.5
Sibley	7,711	7,782	7,954	465	495	500	6.0	6.4	6.3
Waseca	9,626	9,758	10,392	409	477	514	4.2	4.9	4.9
Watonwan	6,055	5,975	6,277	340	277	332	5.6	4.6	5.3
REGION 10	220,785	223,627	223,738	10,996	11,677	12,124	5.0	5.2	5.4
Dodge	8,200	8,294	8,352	445	493	482	5.4	5.9	5.8
Fillmore	11,221	11,351	11,731	712	718	804	6.3	6.3	5.7
Freeborn	17,267	17,437	18,215	945	[illegible]	1,034	5.5	5.9	5.2
Goodhue	20,629	20,832	20,671	870	910	1,082	4.2	4.4	5.0
Houston	9,736	9,807	9,787	485	507	554	5.0	5.2	5.7
Mower	20,032	20,451	19,983	1,534	1,626	967	7.7	8.0	4.8
Olmsted	57,992	58,350	58,869	1,981	2,127	2,222	3.4	3.6	3.8
Rice	25,779	26,611	26,238	1,369	1,446	2,227	5.3	5.4	8.5
Steele	15,245	15,406	15,308	755	845	791	5.0	5.5	5.2
Wabasha	9,418	9,456	9,690	494	579	569	5.2	6.1	5.9
Winona	25,266	25,632	24,894	1,406	1,399	1,392	5.6	5.5	5.6
ROCHESTER CITY	35,281	35,494	35,812	1,440	1,525	1,587	4.1	4.3	4.4

ROCHESTER MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	July 1986	June 1986	July 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	55,340	55,740	55,220	-0.7	0.2
Total Manufacturing	11,070	10,690	11,490	3.6	-3.7
Durable Goods	8,770	8,770	9,560	0.0	-8.3
Nondurable Goods	2,300	1,920	1,930	19.9	19.1
Total Nonmanufacturing	44,270	45,060	43,730	-1.7	1.2
Construction & Mining	2,310	2,210	2,240	4.7	3.1
Transp., Comm., & Public Util.	1,880	1,880	1,830	0.0	2.9
Wholesale Trade	1,210	1,190	1,220	1.6	-1.0
Retail Trade	9,950	9,920	10,080	0.3	-1.3
Finan., Insur., & Real Estate	1,530	1,550	1,560	-1.0	-1.4
Total Services	22,510	22,360	22,140	0.6	1.6
Health Services	15,710	15,400	15,440	2.0	1.7
Other Services	6,800	6,960	6,700	-2.4	1.5
Government	4,880	5,950	4,670	-17.9	4.6

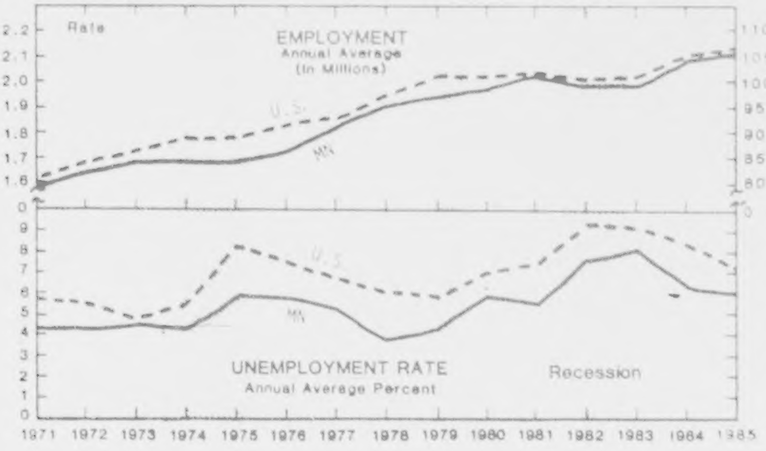
Labor Force Statistics

Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	July 1986	Change From Last Mo.	Change From Year Ago	July 1986	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2,259.9	-26.3	-3.0	120.3	0.7	2.4
Employed	2,148.8	-23.6	12.1	111.8	[illegible]	[illegible]
Unemployed	111.1	-2.7	-15.1	8.6	-0.3	[illegible]
Unemployment Rate						
Actual	4.9	-0.1	-0.7	7.0	[illegible]	-0.4
Seasonally Adjusted	5.3	0.1	-0.7	6.9	[illegible]	-0.4

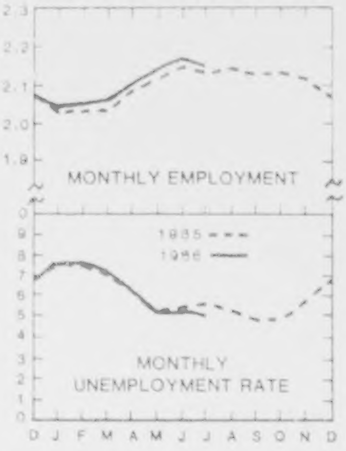
Historical Labor Force Series

Year	Minnesota (Annual Average in Thousands)				United States (Annual Average in Millions)			
	Labor Force	Employment	Unemployment Number	Unemployment Rate	Labor Force	Employment	Unemployment Number	Unemployment Rate
1970	1625.0	1557.0	68.0	4.2	82.8	78.7	4.1	4.9
1971	1664.0	1592.0	73.0	4.4	84.4	79.4	5.0	5.9
1972	1704.0	1630.0	73.0	4.3	87.0	82.2	4.9	5.6
1973	1766.0	1686.0	80.0	4.5	89.4	85.1	4.4	4.9
1974	1769.0	1691.0	77.0	4.3	91.9	86.8	5.2	5.6
1975	1790.0	1684.0	106.0	5.9	93.8	85.8	7.9	8.5
1976	1850.0	1740.0	109.0	5.9	96.2	88.8	7.4	7.7
1977	1909.0	1811.0	98.0	5.1	99.0	92.0	7.0	7.1
1978	1979.0	1903.0	76.0	3.8	102.3	96.0	6.2	6.1
1979	2039.0	1954.0	85.0	4.2	105.0	98.8	6.1	5.8
1980	2111.0	1985.0	125.0	5.9	106.9	99.3	7.6	7.1
1981	2154.0	2035.0	119.0	5.5	108.7	100.4	8.3	7.6
1982	2167.0	1998.0	170.0	7.8	110.2	99.5	10.7	9.7
1983	2176.0	1998.0	178.0	8.2	111.6	100.8	10.7	9.6
1984	2229.0	2088.0	141.0	6.3	113.5	105.0	8.5	7.5
1985	2234.0	2101.0	133.0	6.0	115.5	108.0	8.3	7.2

MN and the U.S., Employment & Unemployment Rate



MN, 1985 and 1986



Labor Market Conditions

The table and graphs in this section describe the behavior of the market for labor services in terms of its quantity, price, and supply. The quantity of labor services, which is the number of employed persons, is classified by industry. The price of labor services is roughly indicated by the industry wage. Unemployment estimates provide a qualified measure of excess labor supply. The degree to which persons participate in the labor market and the effectiveness of the market in utilizing labor services are indicated by Labor Force Estimates and by Other Rates of Labor Utilization.

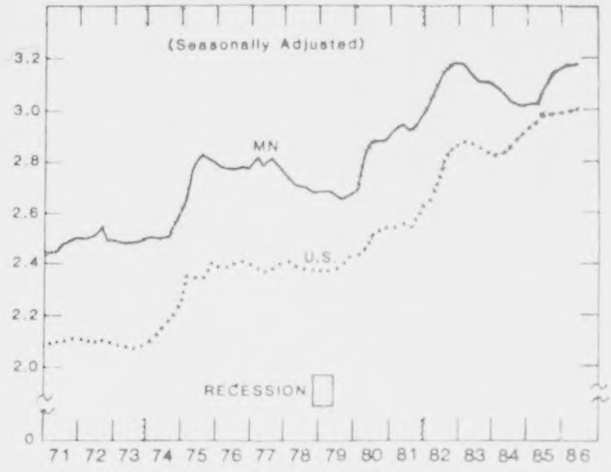
Labor Force & Establishment Data	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Thousands)		
	II QTR. 1986	Percent Change from		II QTR. 1986	Percent Change from	
		Last Qtr.	Year Ago		Last Qtr.	Year Ago
Labor Force Estimates						
Total Labor Force						
Actual	2,262.7	2.1	0.6	117,720	1.5	2.1
Seasonally Adjusted	2,240.3	-1.2	0.6	117,671	0.6	2.1
Employment						
Actual	2,140.8	4.4	0.8	109,371	2.1	2.3
Seasonally Adjusted	2,117.5	-0.3	0.8	109,225	0.4	2.3
Unemployment						
Actual	121.9	-26.7	-2.2	8,349	-4.3	0.5
Seasonally Adjusted	122.8	-13.9	-2.0	8,446	2.3	0.5
Unemployment Rates						
Actual	5.4	-28.0	-1.8	7.1	-5.3	-1.4
Seasonally Adjusted	5.5	-12.7	-1.8	7.2	1.4	-1.4
Other Rates of Labor Utilization						
Participation Rt. (Labor Force/Population ([illegible]	1.4	3.5	1.5	3.1	3.5	3.2
Full Employment Deficit - Percent of Workers1/	70.4	-1.3	0.0	65.3	0.3	0.9
Manpower Utilization Rate2/	84.2	0.6	0.3	82.4	-0.2	-0.2
Nonagricultural Wage & Salary Positions						
Employment*	1,889.9	0.2	1.5	99,837	0.4	2.6
Mining	7.3	4.3	-16.1	793	-9.5	-15.9
Construction	74.4	2.2	4.3	4,965	2.0	6.1
Manufacturing	368.9	-0.6	-2.1	19,196	-0.5	-0.7
Durables	217.7	-1.5	-4.1	11,370	-0.7	-1.5
Nondurables	151.2	0.5	0.9	7,826	-0.2	0.5
Trans., Comm., & Public Utilities	98.3	-0.6	-0.5	5,233	-0.9	-0.1
Trade	471.1	-0.1	1.2	23,743	0.5	3.1
Fin., Ins., & Real Estate	114.9	0.9	4.5	6,253	1.6	5.8
Services	446.0	0.9	3.4	22,931	1.3	5.1
Government	309.0	0.4	2.8	16,723	0.3	2.4
Average Weekly Hours*						
Mining	40.2	0.8	0.8	41.9	-2.6	-3.7
Construction	39.4	5.6	2.9	37.9	4.4	-0.3
Manufacturing	40.6	0.5	1.0	40.7	0.0	0.7
Durables	41.8	2.0	1.7	41.2	-0.5	0.2
Nondurables	39.1	-1.0	0.5	39.9	0.3	1.3
Trans., Comm., & Public Utilities	36.1	-2.7	-4.0	39.1	-1.0	-1.0
Trade	30.9	1.0	1.6	31.5	-0.3	-0.6
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	36.5	-0.3	0.0
Services	n.a.	n.a.	n.a.	32.5	-0.3	0.0
Average Hourly Wage						
Mining	13.09	-3.9	0.5	12.46	1.3	4.3
Construction	14.78	-1.3	-3.1	12.31	0.1	0.7
Manufacturing	10.26	-0.3	2.0	9.70	-0.1	2.1
Durables	10.43	-0.4	2.6	10.27	-0.2	2.2
Nondurables	10.02	-0.2	1.3	8.90	0.3	2.4
Trans., Comm., & Public Utilities	12.08	0.2	4.4	11.55	-0.6	2.3
Trade	7.75	0.1	2.2	6.92	-0.7	1.5
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	8.35	1.3	5.8
Services	n.a.	n.a.	n.a.	8.11	-0.6	3.6

1/ Four percent is a generally agreed upon criteria for measuring full employment. It allows for the movement of persons between jobs. Labor Force Unemployment Rate less four percent, based on official estimates.

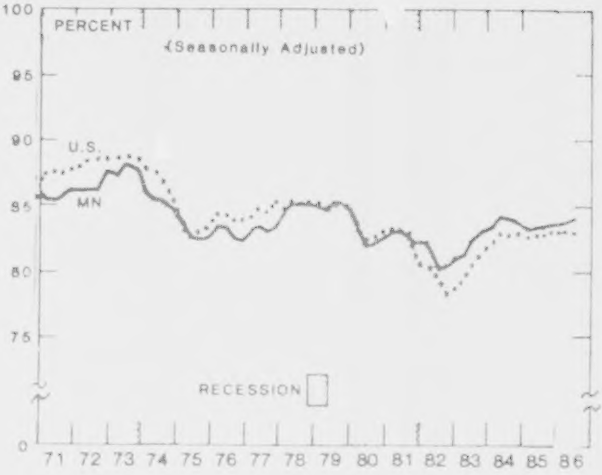
2/ Estimated worker hours expended in nonfarm payroll employment as a percent of potential worker hours assuming that each member of the nonfarm labor payroll labor force was employed at a standard rate of 40 hours per week.

Labor Market Conditions

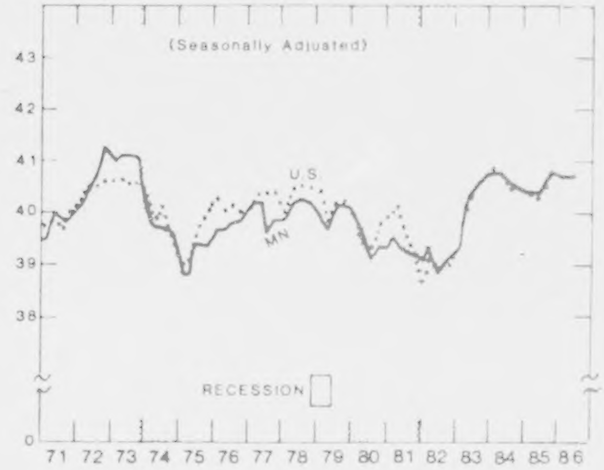
Ratio of Services to Goods Producing Jobs



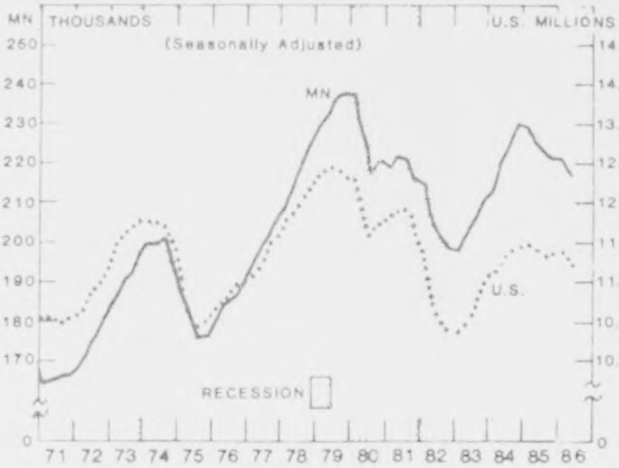
Manpower Utilization Rate



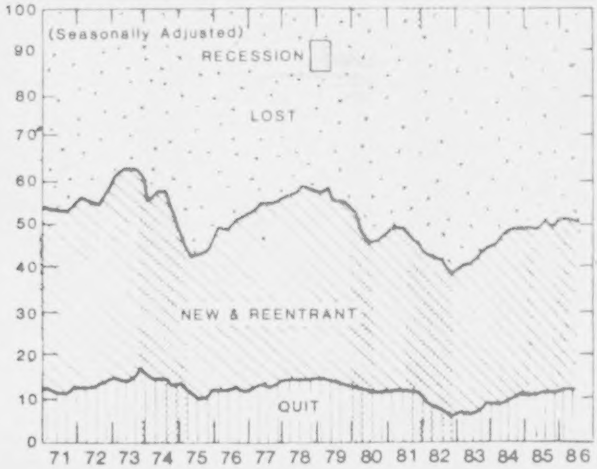
Average Weekly Hours, Manufacturing



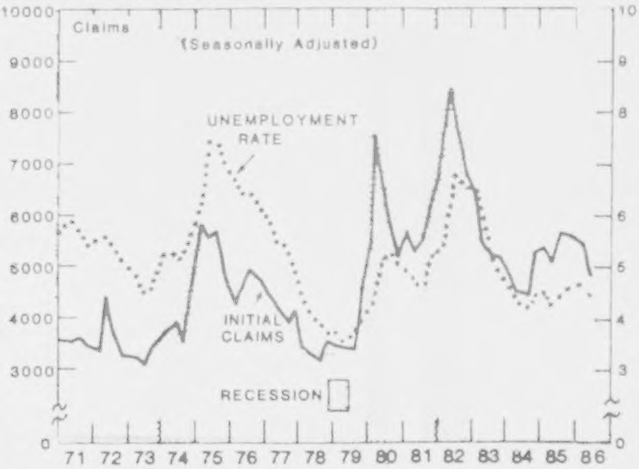
Manufacturing Employment, Durable Goods



U.S. Unemployment: Percent Distribution by Reason



MN Weekly Initial Claims & Handbook Unemployment Rate



Labor Market Conditions

The Table below provides data on persons who file claims for unemployment compensation in Minnesota. Only those claiming benefits from the regular State program are represented, since data on the characteristics of Federal employees and veterans are not available, and data on those receiving benefits from extended programs is reported only when those programs are in effect. If those receiving extended benefits were included they would distort the numerical comparisons over time, but would not substantially change the percentage distributions other than to increase the proportion of long-term unemployed.

Persons Claiming Benefits	SECOND QUARTER 1986			JULY 1986			
	Number	Percent Change From		Number	Percent Change From		Percent Long Term
		Last Qtr.	Year Ago		Month Ago	Year Ago	
By Age & Sex							
Male	27,614	-47.0	2.8	19,701	-2.0	-13.3	25.6
Under 45	21,021	-47.4	1.6	15,076	-0.9	-16.1	24.0
16-24	4,009	-54.7	-12.4	2,466	-8.6	-31.8	21.9
25-34	10,586	-46.8	2.0	7,620	-0.2	-16.7	24.1
35-44	6,426	-42.5	12.2	4,990	2.1	-4.1	24.9
45 and Over	6,593	-46.0	5.6	4,625	-5.1	-2.5	31.1
45-54	3,683	-47.4	7.1	2,610	-3.6	-2.4	28.8
55 and Over	2,910	-44.1	5.9	2,015	-7.1	-2.6	34.0
Female	13,008	-11.6	11.3	13,528	2.9	-9.6	24.1
Under 45	9,539	-12.3	10.2	9,904	3.7	-11.6	23.4
16-24	1,857	-25.9	-5.7	1,731	3.3	-27.4	23.1
25-34	4,509	-9.9	12.2	4,730	3.7	-9.7	23.5
35-44	3,173	-5.9	18.9	3,443	3.9	-3.7	23.6
45 and Over	3,469	-9.5	14.5	3,624	0.8	-3.8	26.0
45-54	1,989	-8.5	13.7	2,051	0.1	-6.5	24.6
55 and Over	1,480	-10.7	15.6	1,573	1.7	-0.2	27.9
By Industry	40,622	-39.2	5.3	33,229	-0.04	-11.8	25.0
Ag., For., Fish.	577	-72.2	11.2	316	6.0	17.9	21.1
Mining	803	-75.6	70.1	1,249	207.6	-26.4	5.6
Construction	8,196	-61.6	1.1	3,048	-21.1	9.7	21.7
Manufacturing	13,275	-23.7	-1.6	11,306	-2.3	-30.1	28.0
Pub. Utilities	1,999	-33.7	8.0	1,358	-11.2	-12.6	30.4
Wholesale Trade	2,610	-25.5	-3.2	2,305	-1.0	-7.8	30.8
Retail Trade	4,628	-23.5	15.7	4,287	1.2	8.5	31.1
Fin., Ins., Real Est.	1,038	-9.7	7.8	1,007	2.3	6.3	32.7
Services	6,439	-9.1	17.9	7,368	3.8	10.1	19.0
Public Admin.	579	-50.5	3.0	487	-0.4	-16.5	20.8
Inf. Not Available	473	-38.7	8.5	498	14.2	-7.9	0.6
By Occupation	40,622	-39.2	5.3	33,229	-0.04	-11.8	25.0
Prof., Tech., Mgr.	6,308	-3.3	31.5	7,074	3.7	5.8	26.6
Clerical	4,450	-7.3	17.7	4,631	4.4	2.1	27.3
Sales	1,804	-13.3	26.5	1,742	2.5	18.0	29.9
Services	2,509	-23.7	5.6	2,457	1.3	-3.4	22.7
Farm., For., Fish.	494	-71.4	5.8	202	-9.8	0.0	25.8
Processing	2,182	-19.0	13.2	1,689	-16.6	10.2	23.6
Machine Trade	2,687	-33.8	-9.2	2,172	-3.4	-26.1	27.5
Benchwork	4,366	-24.0	-3.0	3,909	-1.7	-41.4	26.3
Structural Work	9,601	-58.7	0.3	4,443	-14.2	-2.6	21.0
Misc.	6,034	-51.8	-6.2	4,718	12.7	-24.3	22.0
Inf. Not Available	187	-11.0	-41.2	192	22.3	-38.7	15.6
By Duration	40,622	-39.2	5.3	33,229	-0.04	-11.8	
0-14 Weeks	28,376	-48.3	3.1	24,922	1.7	-17.7	
15+ Weeks (Long-Term)	12,246	2.5	10.9	8,307	-5.0	12.5	

Labor Market Conditions

MINNESOTA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS 2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	July 1986	June 1986	July 1985	June 1986	July 1985	July 1986	July 1985	July 1986	July 1985	July 1986	July 1985
Total Nonagricultural	**1,899.9**	**1,919.1**	**1,869.6**	**-1.0**	**1.6**						
Manufacturing	**373.4**	**371.2**	**378.5**	**0.6**	**-1.4**	**406.21**	**403.21**	**10.13**	**10.03**	**40.1**	**40.2**
Durable Goods	218.8	219.2	225.9	-0.2	-3.1	420.04	420.24	10.27	10.30	40.9	40.8
Lumber and Furniture	18.7	18.4	17.7	1.4	5.4	420.04	451.25	10.27	11.06	40.9	40.8
Stone, Clay and Glass	8.0	7.9	8.8	0.8	-9.6	435.07	396.34	10.56	10.43	41.2	38.0
Primary Metals	5.9	6.2	6.1	-3.8	-2.3	343.27	374.64	8.87	9.16	38.7	40.9
Fabricated Metals	36.6	36.6	35.2	-0.1	4.0	457.81	458.49	11.36	11.21	40.3	40.9
Nonelectrical Machinery	81.3	81.7	88.5	-0.4	-8.1	445.94	458.11	10.85	10.83	41.1	42.3
Office and Computing	41.5	41.8	46.7	-0.8	-11.1	482.23	522.90	11.32	11.62	42.6	45.0
Electrical Machinery	26.7	26.9	28.4	-0.5	-5.7	339.44	307.71	8.34	7.81	40.7	39.4
Transportation Equipment	7.4	7.5	7.7	-1.7	-4.5	464.39	460.32	11.41	11.20	40.7	41.1
Scientific Instruments	28.3	28.2	27.9	0.3	1.4	399.49	398.80	9.58	9.97	41.7	40.0
Miscellaneous Manufacturing	5.9	5.8	5.6	1.3	5.0	391.46	343.98	9.41	9.45	41.6	36.4
Nondurable Goods	154.5	152.0	152.6	1.6	1.3	389.65	380.60	9.94	9.66	39.2	39.4
Food and Kindred	47.6	45.3	47.3	5.2	0.7	351.65	335.77	8.64	8.13	40.7	41.3
Textiles and Apparel	4.4	4.5	4.8	-2.3	-9.8	238.79	230.74	6.67	6.27	35.8	36.8
Paper and Allied	32.9	32.9	33.8	0.1	-2.6	516.60	496.60	12.07	11.74	42.8	42.3
Printing and Publishing	45.1	44.7	42.8	0.8	5.3	362.71	380.82	10.16	10.52	35.7	36.2
Chemicals and Petroleum	10.5	10.6	10.3	-0.8	2.7	483.21	428.89	12.05	11.14	40.1	38.5
Rubber, Plastic and Leather	14.0	14.1	13.5	-0.6	3.5	335.77	309.13	8.93	8.31	37.6	37.2
Nonmanufacturing	**1,526.6**	**1,547.9**	**1,491.1**	**-1.4**	**2.4**						
Mining	8.6	8.4	8.4	2.3	2.1	545.49	536.34	13.24	12.77	41.2	42.0
Metal Mining	6.0	6.0	5.9	1.6	2.0	574.56	572.19	14.40	13.99	39.9	40.9
Construction	85.1	81.9	81.3	3.8	4.7	556.96	604.63	14.58	15.23	38.2	39.7
Transport., Comm., & Pub. Util.	98.6	97.9	98.4	0.7	0.2						
Transportation	65.3	65.9	63.6	-0.8	2.7						
Trucking and Warehousing	27.1	26.7	27.3	1.6	-0.7	382.14	367.87	12.17	11.46	31.4	32.1
Communication and Public Util.	33.3	32.1	34.8	3.8	-4.4	541.26	524.40	13.95	13.11	38.8	40.0
Trade	477.9	479.4	472.8	-0.3	1.1	241.15	231.48	7.68	7.54	31.4	30.7
Wholesale	118.1	118.3	117.4	-0.2	0.6	417.75	385.28	10.47	9.93	39.9	38.8
Retail	359.8	361.1	355.4	-0.4	1.2	191.11	186.50	6.59	6.59	29.0	28.3
Building Materials	18.2	18.2	18.1	0.2	0.8	331.74	318.06	8.55	8.24	38.8	38.6
General Merchandise	49.2	49.5	49.1	-0.8	0.0	191.81	183.91	6.48	6.32	29.6	29.1
Food Stores	48.3	48.2	47.2	0.2	2.3	213.30	214.72	7.11	7.11	30.0	30.2
Automotive	40.5	40.6	38.9	-0.1	4.1	340.18	344.29	9.12	9.28	37.3	37.1
Apparel	18.1	17.9	17.5	1.0	3.4	123.20	117.58	5.38	5.09	22.9	23.1
Home Furnishings	14.8	14.8	14.0	0.2	5.4	241.56	244.28	7.32	7.61	33.0	32.1
Eating and Drinking	124.2	125.2	123.6	-0.8	0.5	112.00	101.46	4.59	4.45	24.4	22.8
Fin., Insur., Real Est.	117.0	116.3	113.1	0.6	3.5						
Finance	54.7	54.4	52.6	0.6	3.9						
Insurance	42.7	42.5	41.1	0.5	3.7						
Real Estate	19.7	19.5	19.3	1.1	1.9						
Services	451.7	451.8	436.9	0.0	3.4						
Personal Services	22.1	22.1	21.3	0.1	4.0						
Business Services	83.6	82.6	78.9	1.2	5.9						
Repair Services	19.3	19.5	18.8	-1.0	2.2						
Health Services	143.9	143.1	140.8	0.6	2.2						
Hospitals	50.2	50.0	50.1	0.4	0.2						
Nursing Homes	40.7	40.7	40.4	-0.1	0.7						
Legal Services	13.6	13.6	12.7	-0.2	7.0						
Private Education	18.4	21.0	18.1	-12.3	2.1						
Government	287.7	312.1	280.2	-7.8	2.7						
Federal	33.8	33.7	32.6	0.5	3.9						
State	67.3	73.0	66.3	-7.8	1.5						
Education	31.2	36.9	30.2	-15.7	3.3						
Local	186.6	205.4	181.3	-9.2	2.9						
Education	83.5	104.5	79.9	-20.1	4.5						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

National Economic Activity
Spending, Output, Income, and Prices

The overall level and composition of National Output shape labor market conditions, and nominal and real earnings. (Nominal values are not adjusted for inflation; real values are adjusted for inflation.) Personal Consumption Expenditures, especially on Durable Goods, together with data on Retail Sales, are frequently used as indicators of future levels of employment. The number of Building Permits influences the level of employment in construction and related industries. The Federal Budget Deficit is a key indicator of the stimulatory effect of government policy. Whether this effect results in inflation, improved employment conditions, or some combination of the two, depends in part, upon the degree to which present productive capacity is utilized. Present and anticipated Money and Credit Conditions determine the ability of consumers, business, and State and Local governments to borrow in order to finance purchases, which, in turn, generate income and employment.

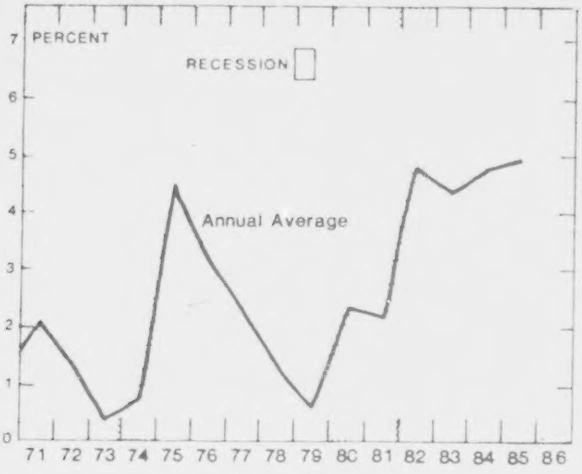
Spending, Output, Income, and Prices	United States		
	II QUARTER 1986	Percent Change from	
		Last Qtr.	Year Ago
Spending and Output			
Gross National Product (in Billions of 1972 Dollars)	3,665.7	0.3	2.7
Personal Consumption Expenditures	2,407.0	1.4	4.1
Durable Goods	357.5	3.5	5.5
Nondurable Goods	875.5	1.7	4.1
Services	1,173.9	0.6	3.7
Gross Private Domestic Investment	667.6	-2.4	1.8
Nonresidential, Fixed	454.8	-0.7	-1.8
Residential, Fixed	193.1	3.7	10.3
Net Exports	-146.3	#	#
Government Purchases	737.5	1.7	4.1
Federal	325.1	1.5	4.4
State and Local	412.4	1.9	3.9
Current Federal Budget Surplus (Deficit)1/	-236.9	-201.6	-214.8
Current Federal Budget Surplus (Deficit) as % of GNP1/	5.6	4.9	5.4
Retail Sales (in millions of dollars)	118,310	1.1	3.9
Industrial Production (Base Year - 1977)	124.7	-0.7	0.4
Housing Starts (Annualized in Thousands)	1,908	-4.5	9.5
Plant Utilization Rates	79.1	-1.0	-1.5
New Orders - Durable Goods (in millions of dollars)	103,016	-3.5	-0.2
Income and Credit			
Total Personal Income (in billions of dollars)	3,480.0	1.4	5.5
Total Disposable Personal Income (in billions of dollars)	2,979.2	1.5	4.8
Per Capita Personal Income			
Current Dollars	14,432	1.2	4.5
1967 Dollars	4,488	1.6	3.3
Median Family Income - Family of Four (in dollars)	37,067	1.1	4.4
Poverty Threshold for Family of Four (in dollars)	11,000	---	3.3
Average Weekly Earnings of Production Workers in Mfg.	394.28	0.1	2.8
Money and Credit			
Money Supply (M2) (in billions of dollars)	2,645.9	2.6	7.8
Federal Reserve Discount Rate	6.61	-10.3	-14.9
Prime Rate Charged by Banks	8.61	-8.1	-15.6
Consumer Installment Credit as % of Disp. Pers. Income	18.9	1.2	9.8
Prices			
Consumer Price Index (All Urban Consumers)	326.5	-0.2	1.7
Food	309.1	0.4	2.6
Housing	359.2	0.7	3.1
Apparel	206.1	0.5	0.4
Transportation	305.9	-3.7	-4.7
Medical Care	429.9	1.8	7.6
Personal Care	290.8	0.6	3.6
Producer Price Index	298.7	-1.9	-3.5
Finished Goods	283.0	-2.0	-3.1
Raw Materials	272.9	-5.8	-10.7

# Percent change not applicable

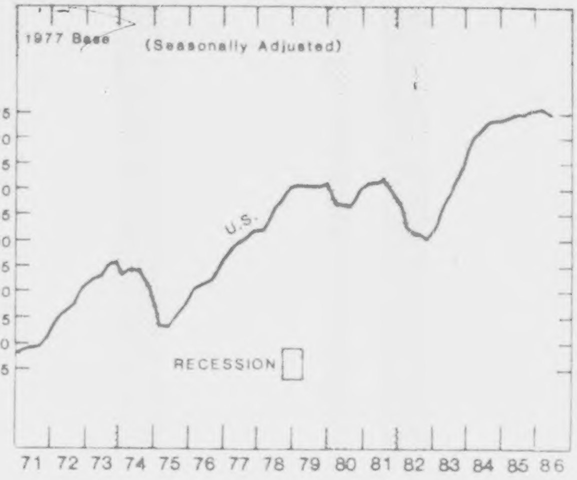
1/ Represents values - not percent change.

Output, Expenditures, Money, & Credit Conditions

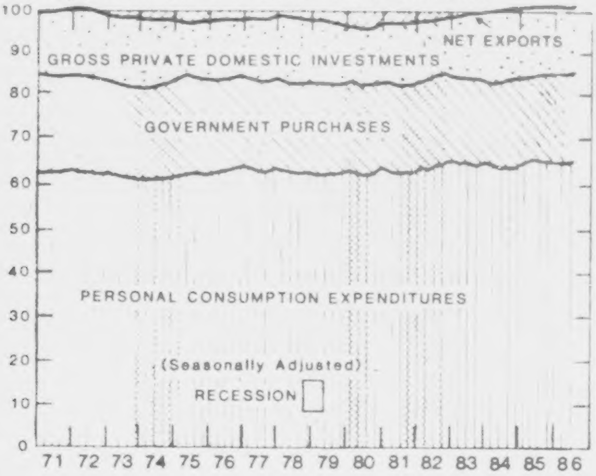
Federal Deficit as % of GNP (Current Dollars)



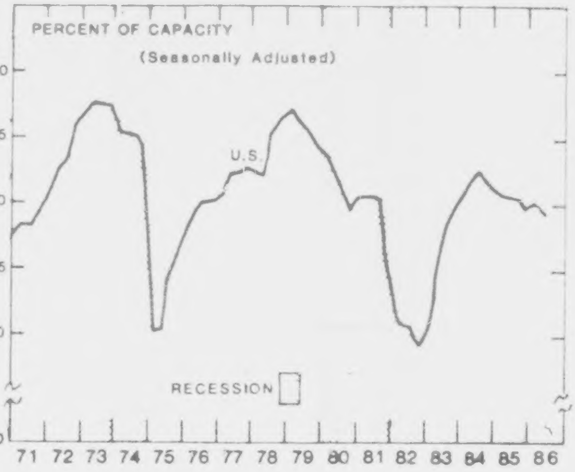
Index of Industrial Production



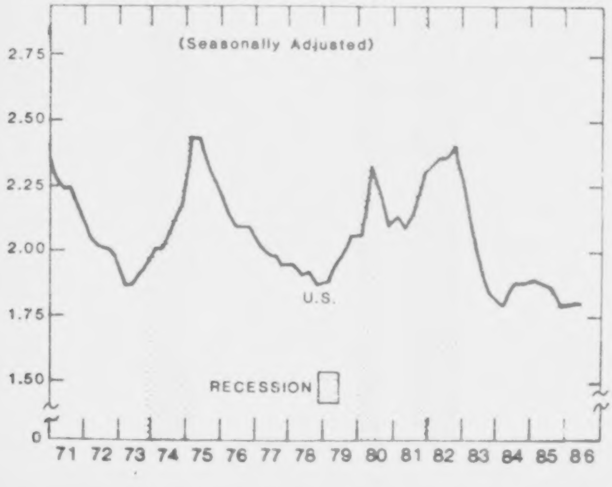
Composition of GNP in Percent



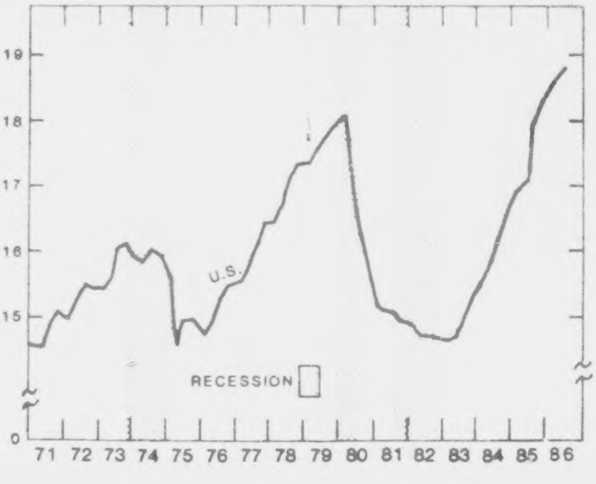
Plant Utilization Rates, Mfg.



Ratio, Inventory to Sales, Durable Mfg.

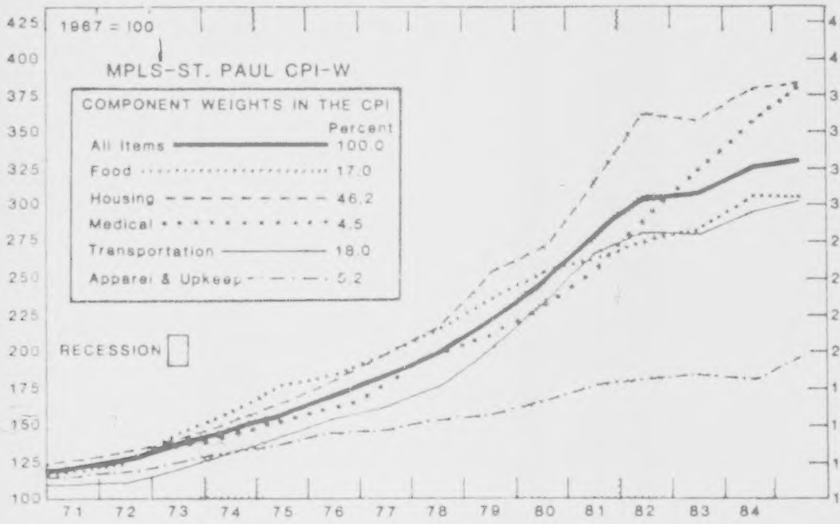


Ratio, Consumer Installment Debt to Disposable Personal Income, U.S.

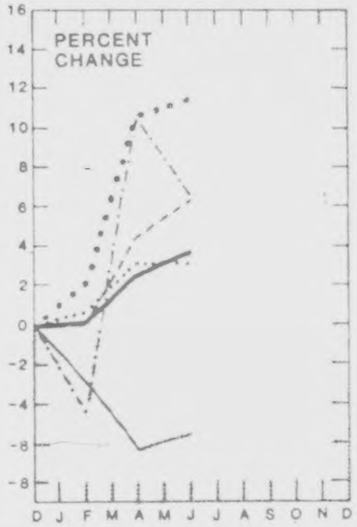


Income & Purchasing Power

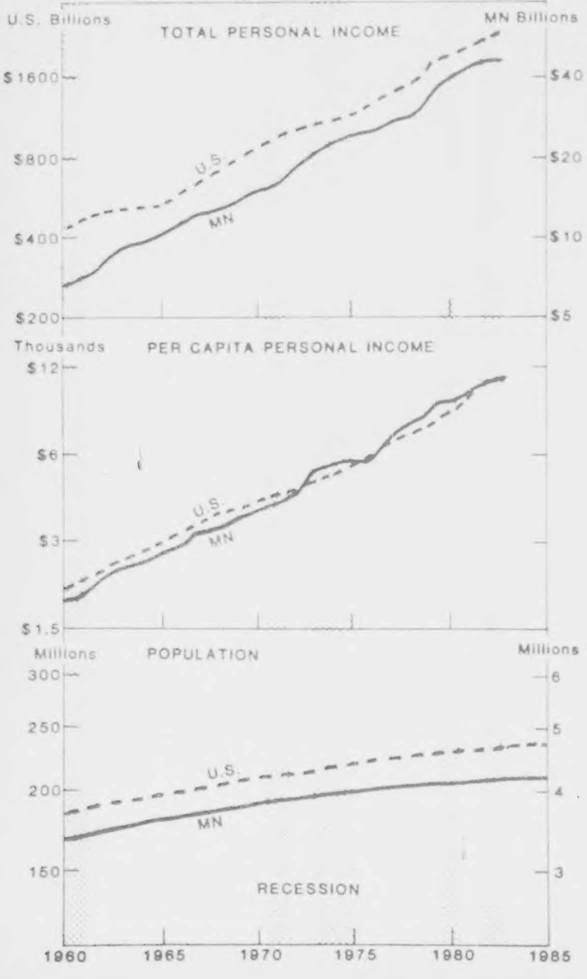
Consumer Price Index–Major Components



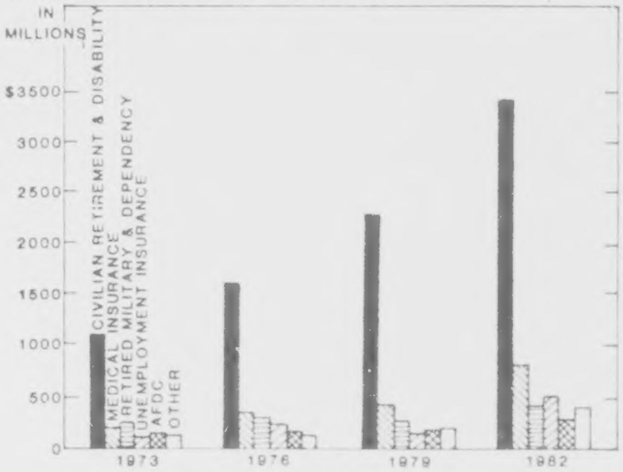
% Δ From Dec. 1985



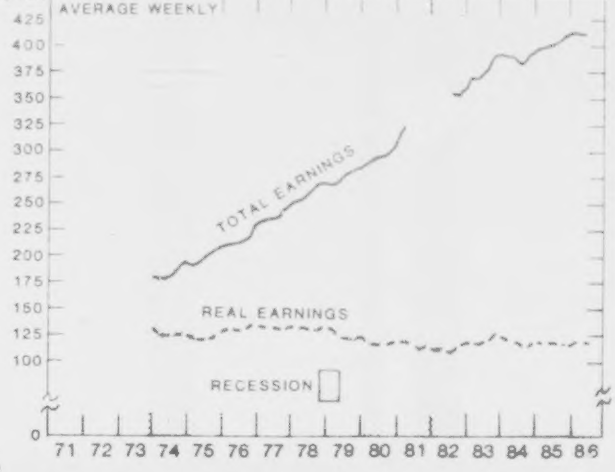
U.S. & MN Personal Income and Population



Government Transfer Payments To Individuals In Minnesota *(Selected Years)*



Minnesota Earnings, Mfg.



Minnesota Income Support and Employment Assistance Data

Presented below is data on income support and employment assistance programs provided to unemployed Minnesotans. Usually, the number of individuals receiving payments or employment and training assistance is the average of the three months in the quarter. In most programs there are eligibility requirements which must be met. In the table below, comparative data from a quarter ago and a year ago is presented. Because of seasonal swings in economic activity, quarter to quarter comparisons of program data can vary significantly. Year ago comparisons give a better indication of trends in the economy.

	Number of Persons			Amount Paid (Thousands)		
	II QTR. 1986	Last Quarter	Last Year	II QTR. 1986	Last Quarter	Last Year
Unemployment Insurance						
Total State	54,043	78,665	52,054	$28,073.3	$43,223.1	$24,795.2
Northeast	6,285	10,649	5,912	3,265.1	6,624.5	2,885.0
Northwest	7,447	11,719	7,253	3,475.5	6,096.9	3,129.7
Central	6,205	10,368	6,868	3,045.9	5,606.5	3,109.4
Metropolitan	22,904	28,755	21,029	13,161.1	16,335.0	10,963.3
Southern	11,203	17,176	10,991	5,125.7	8,560.2	4,707.7
General Assistance						
Total State	20,628	20,056	38,460	$4,519.7	$4,388.8	$7,714.0
Northeast	2,852	2,691	6,584	583.2	548.8	1,229.2
Northwest	2,108	2,032	4,252	374.0	356.4	736.3
Central	1,284	1,262	2,227	242.2	237.1	434.8
Metropolitan	11,867	11,609	21,184	2,822.4	2,763.1	4,510.1
Southern	2,517	2,462	4,213	497.8	483.4	803.6
Job Service						
Individuals served	130,928	121,231	163,790			
Individuals placed	4,399	2,582	4,985			
Vocational Rehabilitation						
Active Caseload	16,856[1]	15,723	15,707			
Percent Severely Disabled	55.8	54.4	55.6			
Closed-Employed	335	337	367			
Job Training Partnership Act (Title IIA)						
Participants	NA	NA	13,392			
Entered Employment			3,471			
Trade Adjustment Assistance (TRA)						
Individuals Entitled to Basic TRA	128	43	7			
Individuals Placed or Entered Training	21	5	11			
Targeted Jobs Tax Credit						
Individuals Vouchered	Expired	204	3,450			
Individuals Certified		172	1,364			
Food Stamp Program						
Registrations	3,019	2,915	1,592			
Individuals Entered Employment	196	138	209			
Work Incentive Program						
Registrants On-Board	27,215	26,416	25,237			
Individuals Entered Employment	357	309	508			
MEED						
Individuals On-Board	1,708	1,651	5,941			
Left Program with Unsubsidized Job	1,382	227	637			

1/ Now includes State Services for the Blind.

FEATURE ARTICLE (continued from page 10)

However, the wage increases exceeded the rate of inflation as measured by the CPI. Workers in professional, technical, and clerical jobs generally received the highest wage increases while production workers of any skill level in construction and manufacturing generally received small wage increases. This is indicative of the cost control efforts to remain competitive, as well as an employers' market for labor in these industries.

Copies of the 1986 Minnesota Salary Survey are now available. One publication contains information on about 120 occupations by area. The second publication contains information on about 45 occupations employed in the hospital and nursing home industry and is also published by area of the State. The publications are available at no charge by calling (612) 297-2281 or by writing to:

Minnesota Dept. of Jobs & Training
Attn: Research Office
390 North Robert Street
St. Paul, Minnesota 55101

Available Publications

Write to: Director, Research and Statistics Office (See inside cover for address)

Review of Labor and Economic Conditions and its Monthly Supplement (Recent Issues)

Minnesota Employment Outlook to 1990 (February 1985)

Employment Projections to 1990, Minneapolis-St. Paul Metropolitan Area, (April 1986)

Labor Market Information Summary for 1986 for Minnesota (August 1986)

Minnesota Nonagricultural Wage and Salary Employment, Hours, and Earnings, January, 1950 - December, 1984 (April 1985)

Minnesota Nonagricultural Wage and Salary Employment, Hours, and Earnings, January, 1978 - December, 1985 (April 1985)

Employment, Hours, and Earnings, 1950-1985, Minneapolis-St. Paul Area (April 1985)

Important Minnesota Occupations by Industry (August 1984)

1982 Occupational Employment Statistics in Minnesota (April 1984)

1984 Occupational Employment Statistics in Minnesota (October 1985)

1986 Minnesota Salary Survey by Area (August 1986)

1986 Minnesota Hospitals and Nursing Homes Salary Survey (August 1986)

1985 Minnesota Wage Data by Industry and Size of Firm (September 1985)

Minnesota Labor Market Information Directory (June 1984)

Minnesota Employment and Wage Data by County (Fourth Quarter 1985) Limited number available for 1975-1983

Average Covered Employment & Wages by Economic Region for the Calendar Year 1984 by Two Digits of Industry (also available for 1976-1983)

Unemployment Compensation Program Statistics: Total Wages, Taxable Wages, Contributions Due, and Benefits Paid, 1950-1978

Cyclical Sensitivity in Minnesota (August 1981)

S4205-1

CURRENT MINNESOTA LABOR MARKET CONDITIONS

July 1986 Supplement to The Review of Labor and Economic Conditions
Prepared by Research & Statistics Office, MN Dept. of Jobs & Training, 390 N. Robert St., St. Paul, MN 55101, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, and Employment and Training Admin.

Nation

Even though some indicators of economic activity were favorable in June, most reports for June suggested that the Nation's economy had become weaker. Some of the weakness in June, however, was due to labor disputes.

Despite a drop in the unemployment rate, the labor market showed little overall strength in June. The seasonally adjusted unemployment rate fell 0.2 of a point to 7.1 percent in June, the same as in April. Although much of the 89,000 decline in seasonally adjusted nonfarm payroll employment was due to strikes, payroll employment would have risen by only 81,000 if the workers had not been on strike. The average gain in payroll employment during the first five months of the year was 207,000 per month. Excluding the striking workers, manufacturing employment fell for the fifth consecutive month in June. Employment in oil and gas extraction also fell further in June and has declined by 113,000 since January.

Other economic reports displayed a mixture of developments in June. While the consumption indicators (retail sales and personal consumption expenditures) continued to show strength in June, industrial production fell for the fifth straight month in June. Also, the preliminary estimate revealed that real gross national product rose by only 1.1 percent in the second quarter.

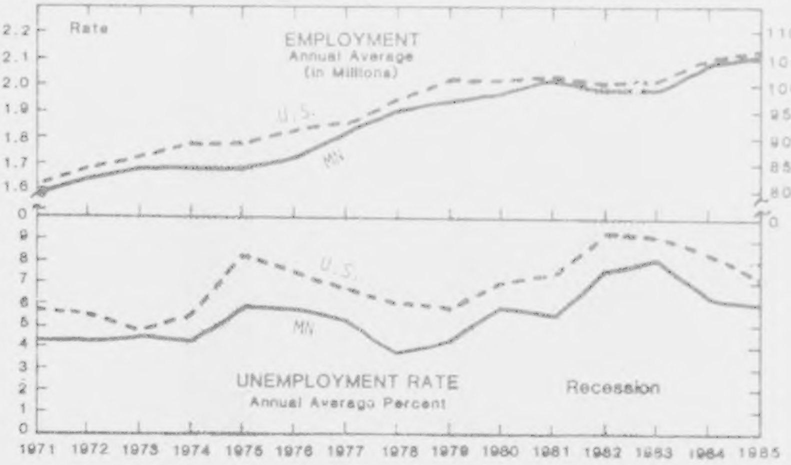
State

The Minnesota economy appeared to be quite healthy in June as the unemployment rate fell further and industry employment rose strongly for the second straight month. However, the durable goods manufacturing sector continued to show weakness.

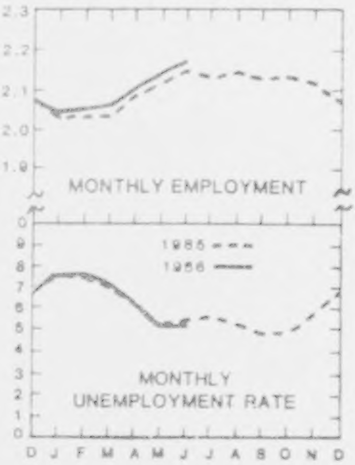
The State's seasonally adjusted unemployment rate fell for the fifth consecutive month in June, dropping to 5.2 percent and reaching its lowest level since August, 1981. Also, seasonally adjusted nonfarm payroll employment rose healthily again in June, by 4,879 after a gain of 5,332 in May. The increase would have been greater if there had not been a strike by 1,100 workers in the communications industry. However, much of the over-the-month rise in payroll employment was in the services-producing industries, especially in local government and business and health services. Although employment in durable goods manufacturing continued to decline, employment in the computer industry rose modestly for the second straight month after dropping for most of the past year. Over the year, payroll employment was up by 30,142. The largest over-the-year gains were in business and health services, state and local government, education and special trades construction.

Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	June 1986	Change From		June 1986	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force	2,287.9	31.1	12.8	119.7	2.4	3.1
Employed	2,174.1	30.8	19.1	110.9	1.8	3.1
Unemployed	113.6	0.3	-6.3	8.8	0.6	0.0
Unemployment Rate						
Actual	5.0	0.0	-0.3	7.3	0.3	-0.2
Seasonally Adjusted	5.2	-0.2	-0.3	7.1	-0.2	-0.2

MN and the U.S., Employment & Unemployment Rate



MN, 1985 and 1986



Labor Market Conditions

MINNESOTA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT 1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS 2/ Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	June 1986	May 1986	June 1985	May 1986	June 1985	June 1986	June 1985	June 1986	June 1985	June 1986	June 1985
Total Nonagricultural	1,921.0	1,907.1	1,891.0	0.7	1.6	-	-	-	-	-	-
Manufacturing	371.7	366.5	379.6	1.4	-2.1	415.13	403.20	10.25	10.08	40.5	40.0
Durable Goods	219.3	218.2	227.9	0.5	-3.7	439.10	423.54	10.43	10.28	42.1	41.2
Lumber and Furniture	18.4	17.6	17.3	4.3	6.5	472.75	487.48	10.72	11.47	44.1	42.5
Stone, Clay and Glass	7.8	7.6	8.7	3.6	-10.1	451.77	383.39	10.58	10.39	42.7	36.9
Primary Metals	6.2	6.2	6.3	0.4	-2.0	370.96	425.65	9.07	9.48	40.9	44.9
Fabricated Metals	36.7	36.7	35.4	0.0	3.6	466.07	459.13	11.34	11.09	41.1	41.4
Nonelectrical Machinery	81.6	81.8	89.8	-0.3	-9.1	450.53	442.21	10.83	10.63	41.6	41.6
Office and Computing	41.8	41.8	47.5	0.2	-12.0	474.18	475.15	11.21	11.18	42.3	42.4
Electrical Machinery	27.1	27.0	28.6	0.2	-5.4	335.75	311.62	8.29	7.81	40.5	39.9
Transportation Equipment	7.5	7.5	7.9	0.2	-4.8	640.43	500.98	13.07	11.57	49.0	43.3
Scientific Instruments	28.2	28.1	28.2	0.4	0.0	411.45	407.95	9.75	9.95	42.2	40.9
Miscellaneous Manufacturing	5.8	5.8	5.7	1.4	2.9	397.52	353.23	9.42	9.46	42.2	37.3
Nondurable Goods	152.4	148.2	151.8	2.8	0.4	385.61	377.69	9.99	9.81	38.6	38.5
Food and Kindred	45.6	42.5	46.3	7.4	-1.5	343.00	321.64	8.75	8.42	39.2	38.2
Textiles and Apparel	4.5	4.4	5.0	1.2	-9.9	246.72	235.25	6.65	6.24	37.1	37.7
Paper and Allied	32.9	32.3	33.7	2.1	-2.2	509.29	502.47	12.04	11.74	42.3	42.8
Printing and Publishing	44.7	44.6	42.9	0.3	4.1	352.40	374.87	10.04	10.53	35.1	35.6
Chemicals and Petroleum	10.6	10.5	10.3	1.0	2.8	519.23	441.07	12.16	11.11	42.7	39.7
Rubber, Plastic and Leather	14.1	14.0	13.6	0.4	3.5	337.94	317.14	9.06	8.39	37.3	37.8
Nonmanufacturing	1,549.3	1,540.7	1,511.4	0.6	2.5	-	-	-	-	-	-
Mining	8.4	8.4	10.1	-0.4	-17.3	546.94	517.60	12.93	12.94	42.3	40.0
Metal Mining	6.0	6.3	7.8	-4.9	-23.6	585.86	549.05	14.61	13.90	40.1	39.5
Construction	82.1	75.5	77.7	8.7	5.7	572.82	569.65	14.65	15.11	39.1	37.7
Transport., Comm., & Pub. Util.	98.1	99.3	99.0	-1.2	-0.9	-	-	-	-	-	-
Transportation	65.9	66.2	64.3	-0.6	2.5	-	-	-	-	-	-
Trucking and Warehousing	26.8	26.3	26.9	1.9	-0.6	383.14	581.57	12.28	14.15	31.2	41.1
Communication and Public Util.	32.2	33.1	34.7	-2.6	-7.1	541.80	536.73	14.00	13.22	38.7	40.6
Trade	479.6	473.1	473.6	1.4	1.3	243.81	234.22	7.74	7.58	31.5	30.9
Wholesale	118.6	117.0	117.5	1.4	0.9	416.16	392.96	10.43	10.05	39.9	39.1
Retail	361.0	356.1	356.0	1.4	1.4	195.06	188.39	6.68	6.61	29.2	28.5
Building Materials	18.1	17.8	18.2	1.7	-0.9	340.28	323.94	8.77	8.48	38.8	38.1
General Merchandise	49.6	48.9	48.9	1.4	7.5	196.08	177.80	6.58	6.35	29.8	28.0
Food Stores	48.2	47.7	47.4	0.9	1.6	210.16	209.39	7.10	7.05	29.6	29.7
Automotive	40.6	40.2	39.0	1.0	3.9	368.87	356.06	9.41	9.37	39.2	38.0
Apparel	17.8	17.6	17.8	1.6	0.4	125.42	117.30	5.36	5.10	23.4	23.0
Home Furnishings	14.8	14.5	14.0	1.6	5.7	257.51	245.80	7.71	7.61	33.4	32.3
Eating and Drinking	125.0	122.9	124.0	1.7	0.8	109.35	107.55	4.50	4.50	24.3	23.9
Fin., Insur., Real Est.	116.4	115.1	111.6	1.1	4.4	-	-	-	-	-	-
Finance	54.5	53.9	52.0	1.1	4.8	-	-	-	-	-	-
Insurance	42.6	42.1	40.6	1.0	4.7						
Real Estate	19.4	19.1	19.0	1.6	2.3						
Services	451.7	449.5	436.4	0.5	3.5						
Personal Services	21.9	22.0	21.3	-0.4	3.1						
Business Services	82.7	81.4	78.2	1.6	5.7						
Repair Services	19.4	19.4	18.7	0.3	3.7						
Health Services	143.3	142.1	140.1	0.9	2.3						
Hospitals	49.9	49.6	50.0	0.6	-0.1						
Nursing Homes	40.8	40.5	40.4	0.6	1.1						
Legal Services	13.5	13.1	12.7	2.9	6.7						
Private Education	21.2	26.0	20.4	-18.4	3.7						
Government	312.9	319.7	303.1	-2.1	3.3						
Federal	33.6	33.3	32.5	0.8	3.2						
State	73.3	80.7	70.4	-9.2	4.0						
Education	37.2	45.0	34.3	-17.3	8.7						
Local	206.1	205.8	200.2	0.2	3.0						
Education	104.8	110.7	100.8	-5.4	3.9						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Selected Minnesota Program Statistics

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

Total claimants for unemployment benefits fell by 2,818 or 7.8 percent in June. The June percent decrease was steeper than the eight year average decline of 6.5 percent between May and June. The largest over-the-month drop in both numerical and percentage terms was in construction where claimants fell by 2,303 or 37.3 percent. Claimants in manufacturing also fell substantially in June, by 1,128 or 8.9 percent. Over the year, total claimants rose by 972 or 3.0 percent. The total number of claimants have now exceeded their year earlier levels for nineteen consecutive months. Over the year gains in most industries were partially offset by a significant decline in manufacturing claimants.

Table 1. Distribution of Insured Unemployed, by Age and Sex, June 1986

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	**33,241**	**60.5**	**100.0**	**100.0**
Under 45	24,769	61.4	75.7	72.6
Under 25	4,372	61.7	13.4	12.7
25-34	12,196	62.6	38.0	34.7
35-44	8,201	59.6	24.3	25.2
45 and Over	8,472	57.6	24.3	27.4
45-54	4,757	56.9	13.5	15.6
55 and Over	3,715	58.4	10.8	11.8

TABLE 2. Distribution of Insured Unemployed by Industry and Occupation, June 1986

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term[1] Unemployed	Women as Percent of Total
Total, All Industries	**33,241**	**100.0**	**26.3**	**39.7**
Ag., For., Fish.	298	0.9	27.0	35.6
Mining	406	1.2	36.0	7.0
Construction	3,865	11.6	26.2	5.8
Manufacturing	11,572	34.8	27.3	38.1
Public Utilities	1,529	4.6	31.7	28.5
Wholesale Trade	2,329	7.0	29.3	30.0
Retail Trade	4,237	12.7	31.2	46.7
Finance, Insurance, Real Estate	984	3.0	31.8	60.3
Services	7,096	21.4	19.4	60.9
Public Admin.	489	1.5	23.1	46.7
Info. Not Available	436	1.3	1.0	39.7
Total, All Occupations	**33,241**	**100.0**	**26.3**	**39.7**
Prof., Tech., Mgr.	6,819	20.5	25.2	43.6
Clerical	4,436	13.3	27.2	82.1
Sales	1,699	5.1	29.9	35.2
Services	2,425	7.3	23.3	56.0
Farm., For., Fish.	224	0.7	26.5	14.3
Processing	2,025	6.1	19.7	34.6
Machine Trades	2,249	6.8	27.9	17.1
Benchwork	3,842	11.5	28.6	62.1
Structural Work	5,177	15.6	25.5	2.6
Miscellaneous	4,188	12.6	28.0	21.6
Info. Not Available	157	0.5	30.8	38.5

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., wehereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand

Occupation	Applicants (Supply) June 1986	Job Openings (Demand) June 1986	Supply/Demand Ratio	
			June 1986	June 1985
Total	**111,496**	**12,236**	**9.1**	**8.4**
Prof., Tech., Mgr.	12,899	1,325	9.7	7.3
Clericals	18,496	2,469	7.5	6.6
Sales	5,429	1,420	3.8	4.2
Domestic Services	2,591	213	12.2	12.0
Other Services	16,414	3,375	4.9	4.9
Farm., Fish., For.	8,012	195	41.1	27.8
Processing	2,222	638	3.5	2.0
Machine Trades	6,556	409	16.0	20.9
Benchwork	7,997	396	20.2	15.8
Structural Work	12,976	723	17.9	20.0
Mtr. Frght., Trans.	4,034	364	11.1	13.0
Pkg. & Mat. Hndlg.	12,864	642	20.0	22.6
Other	1,006	67	15.0	15.0

1/ Inexperienced and improperly coded job applicants are not included in this table.

Analysis of Local Conditions

MINNEAPOLIS-ST. PAUL MSA

by Bruce Steuernagel

The number of wage and salary jobs in the Twin Cities metropolitan area increased in June for the second consecutive month. After falling for most of the past 15 months, the number of manufacturing jobs increased in June. A big reason for this improvement is the stabilizing of employment in the nonelectrical machinery industry which includes the computer manufacturers. A second reason is some improvement in the job picture in nondurable goods manufacturing industries such as food products, paper products, printing, and chemicals. Employment in the paper and printing industries tend to respond early to an upturn in economic activity as the demand for packaging and shipping containers increases. Despite these recent developments, there are about 5,000 fewer manufacturing jobs this year than a year ago in the Twin Cities area. In addition, this area has lost manufacturing jobs in the past year at a faster rate than the national average--2.0 percent compared to 0.8 percent.

Other industries which also contributed to the brighter job picture were transportation, retail trade, and services. The large drop in the communication and public utilities industry reflects the labor dispute in the telephone industry. After adjustment for seasonal changes, employment in construction and finance, insurance, real estate was about unchanged in June as in May, while it was slightly lower in government.

The Twin Cities unemployment rate was unchanged from the 4.1 percent rate in May. For the first time since September 1985, the current unemployment rate was lower than the year ago figure. Employment grew at the usual rate but there was a much smaller than usual increase in the number of unemployed. The number of unemployed workers increased by only 1.2 percent between May and June contrasted to the 15.6 percent average increase of the past 16 years. The usual reason for the sharp increase in unemployment between May and June is the influx of students into the labor market following the end of the school year. The teenage labor force now comprises a smaller proportion of the total civilian labor force than it did in past years. This smaller relative size and the availability of jobs for teenagers has apparently resulted in only a small increase in unemployment this year.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	June 1986	May 1986	June 1985	June 1986	May 1986	June 1985	June 1986	May 1986	June 1985
Minneapolis-St. Paul MSA*	1,340,989	1,332,158	1,310,200	54,833	54,186	56,198	4.1	4.1	4.3
REGION 11	1,246,056	1,237,649	1,216,377	51,198	50,069	51,663	4.1	4.0	4.2
Anoka	127,460	126,670	124,110	5,796	5,747	5,511	4.5	4.5	4.4
Carver	23,466	23,275	22,994	810	757	904	3.5	3.3	4.0
Dakota	128,087	127,246	125,210	4,904	4,913	5,134	3.8	3.8	4.1
Hennepin	583,596	579,196	569,264	24,256	23,271	24,040	4.2	4.0	4.2
Ramsey	281,712	280,012	275,217	11,874	11,819	12,188	4.2	4.2	4.4
Scott	28,325	28,121	27,788	1,140	1,102	1,267	4.0	3.9	4.6
Washington	73,410	73,129	71,796	2,407	2,568	2,584	3.3	3.5	3.5
Chisago*	16,673	16,657	16,386	767	848	883	4.6	5.1	5.4
Isanti*	14,924	14,871	14,911	606	640	954	4.1	4.3	6.4
Wright*	37,219	37,109	36,419	1,475	1,582	1,575	4.0	4.3	4.3
St. Croix, WI	26,117	25,872	26,108	782	1,047	1,124	3.0	4.0	4.3
Bloomington	50,843	50,40	49,519	2,321	2,187	2,221	4.6	4.3	4.5
Minneapolis	216,671	215,024	211,396	9,992	9,604	9,932	4.6	4.5	4.7
St. Paul	160,836	159,973	157,467	7,470	7,541	7,970	4.6	4.7	5.1

* Chisago, Isanti and Wright counties are a part of the Minneapolis/St. Paul-MN-WI MSA, but are included in Region 7.

Analysis of Local Conditions

MPLS-ST. PAUL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT[1] (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS[2]					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	June 1986	May 1986	June 1985	May 1986	June 1985	June 1986	June 1985	June 1986	June 1985	June 1986	June 1985
Total Nonagricultural	1,246.9	1,237.8	1,222.1	0.7	2.0	-	-	-	-	-	-
Manufacturing	253.4	251.5	258.5	0.8	-2.0	450.32	437.13	10.93	10.82	41.2	40.3
Durable Goods	159.6	159.0	164.2	0.4	-2.8	462.51	447.73	10.96	10.82	42.2	41.4
Lumber and Furniture	8.8	8.3	7.7	6.6	15.0	519.49	540.64	11.57	12.40	44.9	43.5
Stone, Clay and Glass	2.9	2.9	3.1	1.3	-5.0	521.16	404.00	12.12	10.10	43.0	39.9
Primary Metals	4.8	4.9	4.9	-1.0	-1.4	366.33	428.26	8.87	9.31	41.3	45.9
Fabricated Metals	29.9	30.0	28.5	-0.4	4.9	493.85	479.83	11.90	11.59	41.5	41.4
Nonelectrical Machinery	63.7	63.7	69.6	0.0	-8.8	476.70	458.28	11.35	10.99	42.0	41.6
Office and Computing	32.5	32.5	37.3	0.1	-12.8	507.10	480.66	11.96	11.38	42.4	42.2
Electrical Machinery	15.7	15.7	17.1	0.1	-7.9	332.83	312.58	8.69	8.14	38.3	38.4
Transportation Equipment	4.5	4.5	4.3	0.0	5.6	694.40	642.18	14.00	13.84	49.6	46.4
Scientific Instruments	25.3	25.2	25.0	0.4	1.1	418.46	417.58	9.80	10.26	42.7	40.6
Miscellaneous Manufacturing	3.9	3.9	3.8	0.9	2.5	421.34	387.48	9.12	10.16	46.2	38.0
Nondurable Goods	93.8	92.5	94.3	1.4	-0.5	433.82	418.88	10.90	10.87	39.8	38.4
Food and Kindred	18.5	18.2	18.2	2.0	1.7	440.16	410.87	10.48	10.12	42.0	40.5
Textiles and Apparel	1.6	1.5	2.3	7.9	-30.4	256.31	253.20	6.36	6.33	40.3	40.0
Paper and Allied	25.5	25.2	26.1	1.2	-2.5	472.73	449.86	11.53	11.35	41.0	39.5
Printing and Publishing	30.7	30.3	30.4	1.4	1.0	392.52	417.81	10.58	11.51	37.1	36.2
Chemicals and Petroleum	8.9	8.7	8.6	1.5	3.4	565.07	478.67	13.02	12.18	43.4	39.2
Rubber, Plastic and Leather	8.6	8.6	8.7	0.4	-0.7	389.00	353.73	10.00	9.25	38.9	38.1
Nonmanufacturing	993.5	986.3	963.6	0.7	3.1	-	-	-	-	-	-
Mining	-	-	-	-	-	-	-	-	-	-	-
Metal Mining	-	-	-	-	-	-	-	-	-	-	-
Construction	51.0	48.3	49.0	5.6	4.0	623.91	597.80	16.29	16.07	38.3	37.2
Transport., Comm., & Pub. Util.	68.2	68.9	67.7	-1.1	0.7	-	-	-	-	-	-
Transportation	48.0	48.0	45.6	0.0	5.3	-	-	-	-	-	-
Trucking and Warehousing	16.6	16.4	16.3	1.3	1.9	373.18	396.44	13.14	12.35	28.4	32.0
Communication and Public Util.	20.2	21.0	22.2	-3.6	-9.1	540.77	461.15	13.76	12.42	39.3	37.1
Trade	305.6	302.0	299.7	1.2	2.0	267.34	251.10	8.46	8.26	31.6	30.4
Wholesale	79.6	78.7	78.6	1.1	1.2	447.92	420.33	11.17	10.75	40.1	39.1
Retail	226.0	223.3	221.0	1.2	2.2	213.30	198.89	7.33	7.18	29.1	27.7
Building Materials	10.3	9.8	10.0	4.6	2.8	376.49	341.50	9.58	9.27	39.3	36.7
General Merchandise	36.2	35.8	35.0	0.9	3.3	211.19	189.56	6.97	6.76	30.3	28.0
Food Stores	27.3	27.0	26.8	1.3	1.9	282.91	248.00	8.42	8.34	33.6	29.6
Automotive	23.5	23.3	22.6	0.7	3.7	426.06	401.65	10.52	10.21	40.5	39.2
Apparel	11.7	11.5	11.7	1.3	0.2	118.85	108.79	5.58	5.05	21.3	21.4
Home Furnishings	10.7	10.5	9.6	1.4	11.6	226.95	253.66	7.54	8.12	30.1	31.2
Eating and Drinking	76.9	76.1	76.4	1.1	0.6	108.48	102.05	4.80	4.66	22.6	21.8
Fin., Insur., Real Est.	90.0	89.3	85.3	0.8	5.5	335.51	319.66	8.43	8.56	39.8	37.3
Finance	38.2	37.9	36.0	0.6	5.9	367.93	323.51	9.04	8.72	40.7	37.0
Insurance	35.4	35.2	34.0	0.7	4.3	330.48	366.43	8.10	9.06	40.8	40.4
Real Estate	16.4	16.2	15.3	0.9	7.2	222.22	218.30	7.01	6.93	31.7	31.5
Services	308.9	306.0	297.6	0.9	3.8						
Personal Services	16.0	16.1	14.7	-0.2	8.9						
Business Services	70.4	69.5	68.6	1.3	2.6						
Repair Services	14.7	14.7	14.1	-0.1	4.4						
Health Services	79.9	79.3	78.8	0.8	1.5						
Hospitals	29.4	29.3	29.5	0.4	-0.2						
Nursing Homes	21.8	21.6	21.6	0.9	0.9						
Legal Services	10.3	9.8	9.8	4.3	4.7						
Private Education	15.5	16.6	15.4	-6.7	0.6						
Government	170.0	171.7	164.3	-1.0	3.4						
Federal	19.5	19.6	18.7	0.4	4.9						
State	50.7	52.7	49.0	-3.9	3.3						
Education	27.6	29.6	25.3	-6.8	9.0						
Local	99.6	99.5	96.5	0.2	3.2						
Education	50.9	53.7	49.1	-5.1	3.9						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Analysis of Local Conditions

CENTRAL AND NORTHWEST MINNESOTA

The St. Cloud Area

by Ron Daws

St. Cloud's June unemployment rate, at 5.2 percent was the lowest for that month since 1978 when it was 4.9 percent. Last year the rate was 6.8 percent, and a month ago (May) it was 5.3 percent. This brought the number of unemployed down from 5,819 a year ago, and 4,743 a month ago, to 4,685 in June, 1986.

The number of jobs, meanwhile, rose by 4,419 over the year to reach 84,580 (a record high), and rose by 478 over the month. The industry most responsible for the over-the-year employment gain was the large and prospering retail trade sector which added 1,396 jobs (9.1 percent). Nondurable goods, although much smaller, added 624 jobs for a 14.1 percent increase. Construction was the only over-the-year employment loser in dropping by 318 jobs, or by 9.8 percent.

Compared with May, nonagricultural employment has declined slightly. This was almost entirely due to the 14.9 percent, or 1,908 job drop in governmental educational employment when the school year ended. All other industry categories, with the exception of services & miscellaneous, added jobs. The seasonal construction increase of 11.7 percent was proportionately largest.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	June 1986	May 1986	June 1985	June 1986	May 1986	June 1985	June 1986	May 1986	June 1985
St. Cloud MSA	89,265	88,845	85,980	4,685	4,743	5,819	5.2	5.3	6.8
REGION 1	43,243	41,154	44,579	3,505	3,626	3,996	8.1	8.8	9.0
Kittson	2,865	2,814	3,148	237	277	302	8.3	9.8	9.6
Marshall	5,675	5,442	6,036	677	671	7699	11.9	12.3	12.7
Norman	3,878	3,759	4,137	232	269	306	6.0	7.2	7.4
Pennington	6,474	6,267	6,304	466	496	467	7.2	7.9	7.4
Polk	15,133	14,563	15,545	1,291	1,279	1,433	8.5	8.8	9.2
Red Lake	2,057	2,045	2,103	283	311	261	13.8	15.2	12.4
Roseau	7,161	6,264	7,306	319	323	456	4.5	5.2	6.2
REGION 2	30,399	29,742	32,599	2,474	2,629	2,892	8.1	8.8	8.9
Beltrami	15,943	15,845	17,180	1,123	1,229	1,312	7.0	7.8	7.6
Clearwater	3,628	3,573	3,867	508	529	574	14.0	14.8	14.8
Hubbard	6,540	6,202	6,818	481	517	592	7.4	8.3	8.7
Lake of Woods	2,039	1,938	2,178	125	117	132	6.1	6.0	6.1
Mahnomen	2,249	2,184	2,556	237	237	282	10.5	10.9	11.0
REGION 4	102,077	99,848	102,819	5,770	5,773	6,303	5.7	5.8	6.1
Becker	13,492	12,920	13,191	1,059	1,115	1,176	7.8	8.6	8.9
Clay	26,984	27,426	26,394	1,246	1,228	1,279	4.6	4.5	4.8
Douglas	14,641	14,390	14,940	701	751	791	4.8	5.2	5.3
Grant	3,347	3,251	3,717	197	207	164	5.9	6.4	4.4
Otter Tail	26,088	24,827	26,543	1,738	1,626	1,988	6.7	6.5	7.5
Pope	5,255	5,032	5,489	306	295	295	5.8	5.9	5.4
Stevens	5,884	5,769	5,781	215	222	220	3.7	3.8	3.8
Traverse	2,622	2,486	2,796	111	120	125	4.2	4.8	4.5
Wilkin	3,764	3,747	3,968	197	209	265	5.2	5.6	6.7
REGION 5	59,922	57,718	62,741	4,166	4,383	4,770	7.0	7.6	7.5
Cass	9,644	9,256	10,673	840	913	934	8.7	9.9	8.8
Crow Wing	21,179	20,210	21,618	1,274	1,361	1,476	6.0	6.7	6.8
Morrison	13,664	13,318	14,421	967	986	1,193	7.1	7.4	8.3
Todd	10,583	10,229	11,032	709	770	745	6.7	7.5	6.8
Wadena	4,852	4,705	4,997	376	353	372	7.7	7.5	7.4
REGION 6E	55,459	53,075	56,380	3,309	3,522	3,363	6.0	6.6	6.0
Kandiyohi	18,155	17,654	18,936	913	1,050	1,018	5.0	5.9	5.4
McLeod	17,188	15,827	16,770	797	814	796	4.6	5.1	4.7
Meeker	10,070	9,808	9,609	871	893	667	8.6	9.1	6.9
Renville	10,046	9,788	11,065	726	765	892	7.2	7.8	8.1
REGION 7E	55,688	55,230	56,489	3,110	3,317	3,950	5.6	6.0	7.0
Chisago	16,673	16,657	16,386	767	848	882	4.6	5.1	5.4
Isanti	14,924	14,871	14,911	606	640	954	4.1	4.3	6.4
Kanabec	5,974	5,916	6,249	407	441	588	6.8	7.5	9.4
Mille Lacs	8,776	8,679	9,250	564	587	706	6.4	6.8	7.6
Pine	9,341	9,108	9,693	766	801	820	8.2	8.8	8.5
REGION 7W	126,484	125,954	122,398	6,160	6,325	7,394	4.9	5.0	6.0
Benton	13,804	13,695	13,335	760	725	973	5.5	5.3	7.3
Sherburne	17,226	17,128	16,500	1,087	1,081	1,205	6.3	6.3	7.3
Stearns	58,235	58,022	56,145	2,838	2,937	3,641	4.9	5.1	6.5
Wright	37,219	37,109	35,418	1,475	1,582	1,575	4.0	4.3	4.3

1/ Benton, Stearns, and Sherburne Counties

ST. CLOUD MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	June 1986	May 1986	June 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	64,165	65,931	62,182	-2.7	3.2
Total Manufacturing	11,407	11,349	11,001	0.5	3.7
Durable Goods	6,210	6,208	6,446	0.0	-3.7
Nondurable Goods	5,197	5,141	4,555	1.1	14.1
Total Nonmanufacturing	52,758	54,582	51,181	-3.3	3.1
Construction	2,922	2,615	3,240	11.7	-9.8
Transp., Comm. & Pub. Util.	3,800	3,724	3,554	2.0	6.9
Wholesale Trade	3,295	3,254	3,123	1.3	5.5
Retail Trade	16,719	16,651	15,323	0.4	9.1
Finance, Insur. & Real Estate	2,267	2,258	2,186	0.4	3.7
Service & Miscellaneous	12,898	13,315	12,885	-3.1	0.1
Government	10,857	12,755	10,870	-14.9	-0.1

Analysis of Local Conditions

NORTHEAST MINNESOTA

By Mike Casey

Employment continued to expand during June, marking the fifth month in a row that total employment has surpassed the previous month's level. Estimates of unemployment improved in June, also for the fifth consecutive month. As a result of these improvements, 8.3 percent of the labor force throughout the seven-county area were unemployed in June. The good news in that this is the lowest rate for the region in nearly five years. Not since a 6.6 percent rate was recorded in September of 1981 has the employment situation appeared better.

The bad news, of course, is that an 8.3 percent rate could be considered "good news" in the first place. Unfortunately there is even worse news in the near future. By the time the August employment levels are available the mining industry will have begun to feel the effects of more mine closings with significantly higher numbers of workers laid off in an area from where many have already moved elsewhere because comparable employment opportunities are not available. Under the circumstances an 8.3 percent jobless rate may soon be upgraded from merely "good news" to "great news"!

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	JUNE 1986	MAY 1986	JUNE 1985	JUNE 1986	MAY 1986	JUNE 1985	JUNE 1986	MAY 1986	JUNE 1985
REGION 3	133,972	133,428	136,439	11,094	11,860	11,710	8.3	8.9	8.6
Aitkin	5,298	5,213	5,862	530	609	679	10.0	11.7	11.6
Carlton	11,338	11,156	11,606	1,034	1,131	975	9.1	10.1	8.4
Cook	2,615	2,344	2,745	145	138	209	5.5	5.9	7.6
Itasca	17,368	17,118	17,787	1,766	1,863	1,781	10.2	10.9	10.0
Koochiching	7,906	7,766	8,592	651	696	1,027	8.2	9.0	12.0
Lake	4,190	4,119	4,348	426	466	474	10.2	11.3	10.9
St. Louis	85,261	85,707	85,499	6,540	6,957	6,520	7.7	8.1	7.6
City of Duluth	34,377	34,412	34,859	2,251	2,276	2,627	6.5	6.6	7.5
Balance St. Louis	50,884	51,290	50,640	4,289	4,681	3,893	8.4	9.1	7.7

DULUTH AND DULUTH-SUPERIOR MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	June 1986	May 1986	June 1985	Mo. Ago	Yr. Ago	June 1986	May 1986	June 1985	Mo. Ago	Yr. Ago
Total Nonagricultural Wage & Salary	42,400	42,050	42,140	0.8	0.6	85,180	85,010	86,680	0.2	-1.7
Total Manufacturing	3,610	3,610	3,770	0.1	-4.2	6,940	6,870	7,130	1.1	-2.6
Durable Goods	1,670	1,690	1,800	-0.9	-7.4	3,840	3,790	4,130	1.2	-7.1
Nondurable Goods	1,940	1,920	1 960	1.0	-1.3	3,110	3,080	3,000	1.0	3.6
Total Nonmanufacturing	38,790	38,440	38,370	0.9	1.1	78,230	78,150	79,550	0.1	-1.7
Construction	1,370	1,070	1,300	28.2	5.8	3,020	2,600	3,090	16.4	-2.1
Trans., Comm., Pub. Util.	3,020	3,050	3,280	-0.8	-7.9	5,920	5,950	6,400	-0.5	-7.5
Wholesale Trade	1,750	1,720	1,800	1.7	-2.8	3,680	3,590	3,670	2.7	0.3
Retail Trade	9,150	9,020	9,140	1.3	0.1	18,260	17,970	18,620	1.6	-2.0
Finan., Insur., & Real Est.	1,800	1,760	1,760	2.3	2.3	3,140	3,070	3,040	2.5	3.6
Services, Mining, & Miscel.	11,780	11,870	11,430	-0.7	3.1	25,380	25,410	26,160	-0.1	-3.0
Government	9,910	9,950	9,660	-0.4	2.7	18,830	19,570	18,570	-3.8	1.4

Analysis of Local Conditions

SOUTHERN MINNESOTA

By Mike Casey

LABOR FORCE ESTIMATES									
AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	JUNE 1986	MAY 1986	JUNE 1985	JUNE 1986	MAY 1986	JUNE 1985	JUNE 1986	MAY 1986	JUNE 1985
REGION 6W	27,146	26,388	29,422	1,590	1,573	1,781	5.9	6.0	6.1
Big Stone	3,595	3,458	3,834	180	183	213	5.0	5.3	5.6
Chippewa	6,730	6,609	7,407	402	433	474	6.0	6.6	6.4
Lac Qui Parle	4,621	4,649	5,058	233	229	249	4.8	4.9	4.9
Swift	5,589	5,483	6,303	462	440	537	8.3	8.0	8.5
Yellow Medicine	6,411	6,187	6,820	313	288	308	4.9	4.7	4.5
REGION 8	67,018	65,050	71,247	3,480	3,410	4,109	5.2	5.2	5.8
Cottonwood	6,446	6,390	6,986	413	373	672	6.4	5.8	8.9
Jackson	6,931	6,705	7,256	591	575	438	8.5	8.6	6.0
Lincoln	3,808	3,595	4,084	205	183	177	5.4	5.1	4.3
Lyon	13,745	13,353	13,979	638	604	658	4.6	4.5	4.7
Murray	5,250	5,007	5,715	266	282	338	5.1	5.6	5.9
Nobles	11,098	10,847	11,932	516	514	745	4.7	4.7	6.2
Pipestone	5,835	5,697	6,235	228	239	278	3.9	4.2	4.5
Redwood	8,948	8,692	9,749	439	444	640	4.9	5.1	6.6
Rock	4,955	4,764	5,331	182	196	217	3.7	4.1	4.1
REGION 9	116,673	112,326	118,561	6,255	5,903	6,441	5.4	5.3	5.4
Blue Earth	28,012	27,835	28,465	1,072	1,030	1,325	3.8	3.7	4.7
Brown	14,376	13,834	14,457	659	647	815	4.6	4.7	5.6
Faribault	10,092	9,320	9,870	649	621	508	6.4	6.7	5.1
Le Sueur	12,161	10,926	11,612	871	817	904	7.2	7.5	7.8
Martin	13,489	12,875	13,474	1,045	1,019	819	7.8	7.9	6.1
Nicollet	15,027	14,791	15,108	704	546	678	4.7	3.7	4.5
Sibley	7,787	7,319	7,902	496	494	540	6.4	6.7	6.8
Waseca	9,768	9,604	10,398	480	451	558	4.9	4.6	5.4
Watonwan	5,960	5,811	6,255	279	268	295	4.7	4.6	4.7
REGION 10	223,772	219,210	225,079	11,706	1,100	11,816	5.2	5.1	5.2
Dodge	8,330	8,020	8,411	495	507	552	6.0	6.3	6.6
Fillmore	11,356	10,920	11,903	719	641	763	6.3	5.8	6.4
Freeborn	17,445	17,091	17,742	1,020	881	974	5.8	5.2	5.5
Goodhue	20,945	20,368	20,883	915	922	1,186	4.4	4.5	5.7
Houston	9,815	9,385	10,167	510	490	507	5.2	5.2	4.9
Mower	20,452	19,840	20,620	1,627	1,300	977	8.0	6.6	4.7
Olmsted	58,385	57,568	58,390	2,131	2,060	2,326	3.6	3.6	4.0
Rice	26,630	26,013	26,404	1,453	1,447	1,593	5.5	5.6	6.0
Steele	15,418	15,465	15,515	853	908	846	5.5	5.9	5.5
Wabasha	9,463	8,892	9,811	581	562	638	6.1	6.3	6.5
Winona	25,548	25,531	25,171	1,402	1,384	1,489	5.5	5.4	5.9
ROCHESTER CITY	35,515	35,021	35,525	1,527	1,472	1,652	4.3	4.2	4.7

ROCHESTER MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT					
INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	June 1986	May 1986	June 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	55,860	55,150	55,900	1.3	-0.1
Total Manufacturing	10,680	10,640	11,520	0.3	-7.3
Durable Goods	8,770	8,770	9,520	0.0	-7.9
Nondurable Goods	1,910	1,880	2,010	1.8	-4.7
Total Nonmanufacturing	45,180	44,510	44,380	1.5	1.8
Construction & Mining	2,210	1,920	2,150	15.0	2.5
Transp., Comm., & Public Util	1,880	1,860	1,850	0.8	1.1
Wholesale Trade	1,200	1,200	1,260	0.0	-4.9
Retail Trade	9,940	9,760	10,200	1.8	-2.5
Finan., Insur., & Real Estate	1,540	1,530	1,520	0.6	1.3
Total Services	22,590	22,380	21,630	0.9	4.4
Health Services	15,660	15,490	14,840	1.0	5.5
Other Services	6,930	6,880	6,790	0.7	2.1
Government	5,830	5,860	5,770	-0.5	1.1

Seasonal factors expanded the labor force throughout southern Minnesota's four economic development regions over the month. Hiring activity during June improved the employment picture by nearly 10,600 additional jobs. Many of these newly created jobs are the result of employers having an expanded labor force to draw employees from, as most schools "expel" their students for the summer. Having placed their formal pursuit of education on hold many students move directly to the ranks of the employed.

Since many other students, however, do not have summer jobs already lined up, it is not surprising that many move directly into the ranks of the unemployed as well. This June was no exception as unemployment estimates increased by about 1,050 jobseekers, nearly five percent above the May level. Overall, unemployment increased at a faster rate than employment so the rate of unemployment edged upward, moving from 5.2 to 5.3 percent of the labor force.

During the first six months of this year, employment has averaged nearly 6,000 fewer jobs than for the same period in 1985. Unemployment estimates are averaging some 300 jobseekers above the year-ago levels. As a result, the rate of unemployment in southern Minnesota is slightly higher, at 7.0 percent), than the 6.8 percent rate recorded through June of last year.